

DECEMBER • 1949

Nation's BUSINESS





1/2-ton 6 1/2-foot pick-up—3/4-ton and 1-ton 8-foot pick-ups are available

A Studebaker truck is a stand-out in looks and solid money's worth!

Sensational gas and oil economy! Wear-resisting craftsmanship!



The right truck for your needs is available in the comprehensive Studebaker line—streamlined half-ton, three-quarter-ton and one-ton trucks with Econ-o-miser engine. One-and-one-half and two-ton Studebaker series 16A and 17A trucks in four wheelbases with Studebaker's amazing "Power Plus" engine.

AMERICA'S truck buyers are exacting buyers. They know value when they see it.

That's the reason the nation's streets and highways are growing more and more alive with new Studebaker trucks day by day.

In this most competitive truck-selling year since the war, Studebaker's percentage of the nation's total new-truck business has increased impressively.

America has bought thousands more new Studebaker trucks so far this year than in any like period of any previous year.

Put your new-truck money on a winner. Get a Studebaker truck and

get stand-out modern design. Get the amazing pulling power and staying power, the superb performance, of a great Studebaker Econ-o-miser or "Power Plus" truck engine—exceptionally thrifty with oil as well as gasoline.

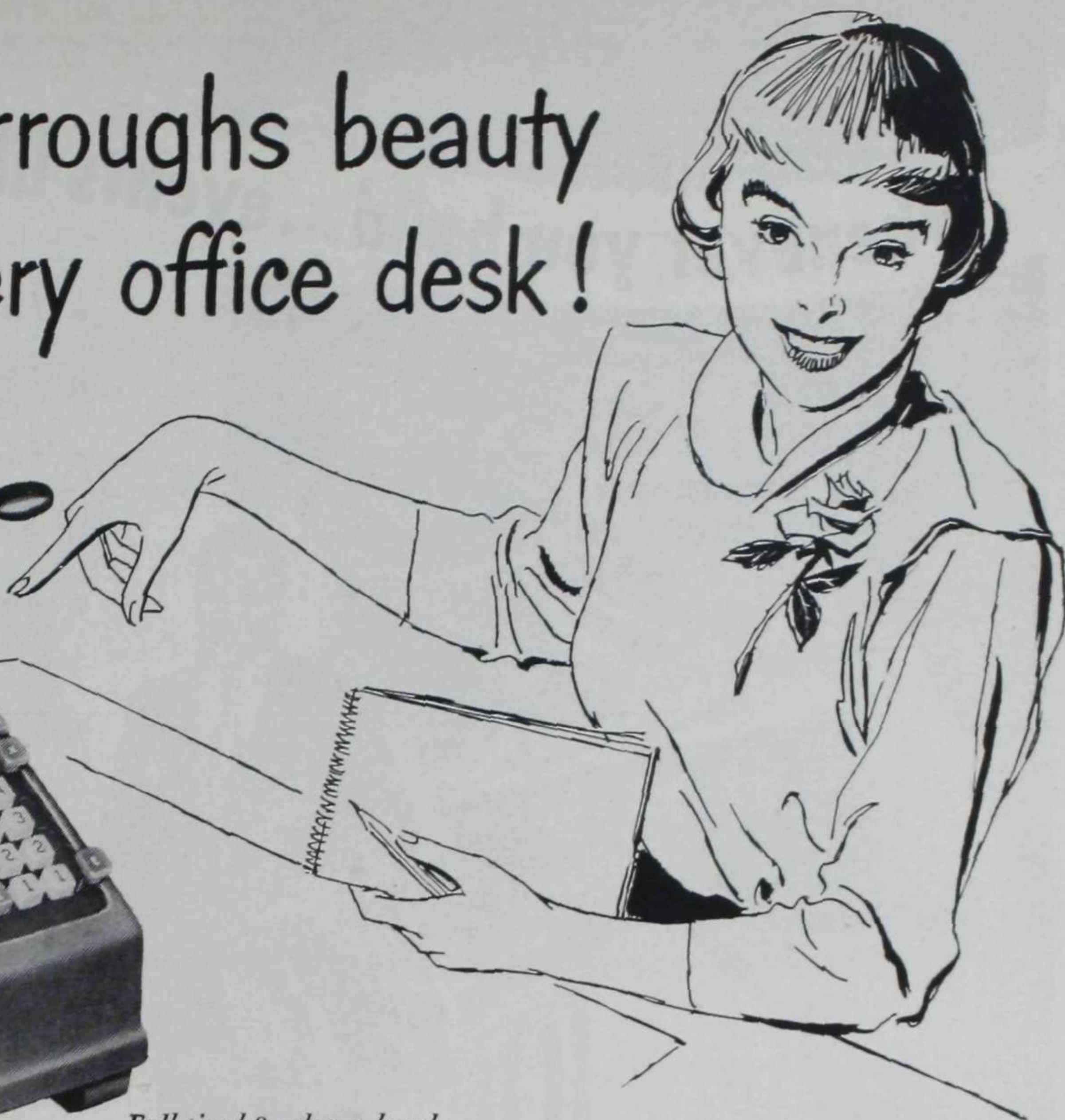
Get the comfort and convenience of the nation's finest truck cab. Get Studebaker's wear-resisting craftsmanship. Stop in at a Studebaker dealer showroom near by.

STUDEBAKER TRUCKS

NOTED FOR LOW COST OPERATION

© 1949, The Studebaker Corp'n, South Bend 27, Ind., U.S.A.

This new Burroughs beauty belongs on every office desk!



*Full-sized 8-column hand
operated adding machine
only \$125
Delivered U. S. A. plus applicable taxes*

If there's a desk in your office where figuring is done—even occasional figuring—equip that desk with this new low-cost Burroughs adding machine. It will pay for itself in a few years—a fraction of its useful life.

Like all Burroughs business machines, the new Burroughs adding machine gets work done in less time, with less effort, at less cost. Compare it with any other make at a comparable price. Compare construction, features, ease of operation. You'll know that a Burroughs is your best adding machine buy.

Call your Burroughs office today for a demonstration or mail the coupon. Other Burroughs adding machines include models with electric operation, direct subtraction, various totaling capacities.

**Buy a Burroughs on easy terms. As little as 10% down;
up to 18 months to pay the balance!**

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FUNCTIONAL
DESIGN**

•
**NEW
NON-GLARE
KEYBOARD**

•
**NEW
SURE-TOUCH
KEYS**

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



BURROUGHS ADDING MACHINE COMPANY, DETROIT 32, MICHIGAN

☐ Please send me descriptive folder and prices on Burroughs adding machines.

☐ I would like to see a demonstration at my place of business.

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COMPANY _____

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NB-75



Whenever you build...events like these may happen

- *Faulty Workmanship*
- *Unforeseeable Contingencies*
- *Liens on Your Property*
- *Non-Completion*
- *Faulty Materials*

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**can protect you
against LOSS!**

HOW? By arranging with your contractor to furnish performance bonds which will protect you against all such losses.

WHO IS HE? Your local U.S.F. & G. Agent —trained to handle the bonds you need for protecting your investment.

HOW DO YOU REACH HIM? He is as near as your telephone. Consult your local U.S.F. & G. Agent today.

FOR U.S.F. & G. SERVICE: Call Western Union by number and ask for Operator 25, who has name and address of your nearest U.S.F. & G. agent.

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Companies

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Fidelity & Guaranty Insurance Corporation, Baltimore 3, Md.

Fidelity Insurance Company of Canada, Toronto

CONSULT YOUR INSURANCE AGENT OR BROKER
AS YOU WOULD YOUR DOCTOR OR LAWYER



THE TRANSISTOR—Amazing new electronic amplifier developed by the Bell Telephone Laboratories. Not much bigger than the tip of a shoelace. It's simple and much smaller than the vacuum tubes that are now used by the thousands to amplify your telephone voice.

TELEPHONE RESEARCH OPENS NEW VISTAS

Improvements in telephone service rest on the foundation of continuous Bell System research. Progress since the war has been tremendous and there is more to come.

At Bell Telephone Laboratories, more than 2300 scientists, engineers, and their associates are continually exploring and inventing, devising and perfecting for improvements and economies in telephone service.

They work with tangible things. Copper and steel and rubber and plastics and precious metals. They work with unseen forces, like

the movement of sound through the air. They work with the never-ending wonders of electricity and with mathematics amazingly complex . . . study many areas of scientific thought.

They decline to recognize barriers, these busy, quiet men. They live to find new ways. Because of them and the high tradition in which they work, your telephone has come to serve you better every year.

Research is an important reason why the future holds such great promise for the telephone user.

BELL TELEPHONE SYSTEM





**Your business
is **our** business**

Working with more than 22,000 clients has taught us the answers to most of today's management problems.

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Nation's Business



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DECEMBER, 1949

No. 12

NB Notebook	8
Management's Washington Letter	15
TRENDS OF NATION'S BUSINESS	19
The State of the Nation	Felix Morley
The Month's Business Highlights	Paul Wooton
Washington Scenes	Edward T. Folliard
What Russia's Bomb Means to Us	Maj. Gen. Hugh J. Knerr 29
America's coastal cities are No. 1 targets	
The Price of Fixed Prices	Jack B. Wallach 31
Will consumer demand alter "fair trade" pricing?	
Reminder: Latinos are People, Too	Temple Fielding 33
What makes a good neighbor one place is discourtesy another	
Forests Get Out of the Woods	Andrew Hamilton 37
Timber-raising on the grow-as-you-cut plan	
Britain Pays Through the Teeth	
Dr. Harold Hillenbrand as told to Peter Lisagor	39
Socialized dentistry treats the symptoms	
Good Bargaining is Good Business	
Cyrus S. Ching with Sam Stavisky	41
Uncle Smilie's Miracle	Everett Rhodes Castle 42
A double-give-away show	
Good Medicine that Comes in Small Doses	
Harland Manchester	45
Little things that are good for man or beast	
Science Goes Down to the Sea	Ken Jones 48
Secrets of the deep may help on dry land	
Here Every Day is Christmas	Tom O'Reilly 52
Toy-making booms the year around	
Day of the Company Library	Norman & Amelia Lobsenz 78
By My Way	R. L. Duffus 79

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*It's New
It's News!
It's an Idea
For You*

When a Leading Resort Community in South Florida offers opportunities for Light Industry, it's News for every manufacturer who believes in combining business with good living.

The economy of West Palm Beach is based primarily on its attractions as a year 'round resort. But—there are enough light industries established here today to prove its worth as a location for others.

The same factors that have made West Palm Beach the third largest Resort City in Florida will attract you and your key personnel.

Business-wise, it has three airlines, charter services, two railroads, bus and truck lines, arterial highways, seaport, Cuba car ferry, excellent labor supply, unlimited power, fine water, low construction costs, and reasonable year 'round living costs. It is convenient to Florida's two-billion-dollar consumer market.

As a resort, it has fine hotels, motor courts, apartments, rentable homes; new golf course, new yacht marina, best of deep-sea and fresh water fishing, year 'round ocean bathing, many spectator sports; concerts, art exhibits, lectures; fine churches, hospitals.

Its Climate is world famous. Here again, the advantages of pleasant, healthful living are equally good for management and labor—for business and pleasure.

When you're in Florida, arrange to stop in West Palm Beach—see for yourself what the city can offer you. Come if you can during the Sixth Annual Palm Beach County Industrial Exhibition in late February. Meanwhile write for information to:

**INDUSTRIAL DIVISION
CHAMBER OF COMMERCE
WEST PALM BEACH
FLORIDA**

NAME.....
STREET.....
CITY.....STATE.....



Which would you rather lose— property dollars or income dollars?

If disaster shuts down your place of business, you will suffer an income and a property loss. You need protection against *both*!

Property insurance alone won't protect you against loss of income, but Hartford's Business Interruption Insurance can do just that. If fire, storm, or other hazards insured against, force you to suspend business, Business Interruption Insurance can protect you against loss of anticipated earnings.

Business Interruption Insurance can give you *just what your business itself* would have given you if no interruption had occurred.

Here, briefly, is how Business Interruption Insurance protects you:

OPERATING STATEMENT FOR ONE MONTH

Before Fire

Sales	\$30,000
Cost of Merchandise	18,000
Gross Profits	\$12,000
Expenses	10,000
Net Profit	\$ 2,000

After Fire—WITHOUT Business Interruption Insurance

Sales	None
Cost of Merchandise	None
Gross Profit	None
Expenses continuing during shutdown	\$ 7,000
Net Loss	\$ 7,000
Add. Anticipated Profit Prevented	2,000
Total Loss	\$ 9,000

After Fire—WITH Business Interruption Insurance

Sales	None
Cost of Merchandise	None
Gross Profit	None
Income from Business Interruption Insurance	\$ 9,000
Expenses which continue	7,000
Net Profit	\$ 2,000

(Same as was anticipated had no interruption occurred)

Hartford's Business Interruption Insurance is adaptable to almost any business enterprise; stores, factories, garages, theatres, hotels, etc.

The Hartfords have prepared work sheets to help determine how great a loss you might suffer and how much insurance you will need to safeguard your income. Write for them—there's no obligation!

HARTFORD

HARTFORD FIRE INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD LIVE STOCK INSURANCE COMPANY
Hartford 15, Connecticut

Year in and year out you'll do well with the Hartford



ABOUT OUR AUTHORS

J. B. WALLACH, business editor of the New York Sun, began his journalistic career when he was fresh



out of Harvard, after, he says, having entered just as fresh. He started out by writing five daily newspaper columns. When this activity palled, he took a fling at the cotton textile

business—selling piece goods by day and doing his columns by night. Then, to mark the advent of the depression, he founded a retail reporting service in 1930 and today still manages and operates the Retail News Bureau which serves a few thousand stores, buying organizations and newspapers.

After 20 years of scrivening in the business world, Wallach has one of the widest acquaintances of any reporter in his field and thinks that he could cash a small check in any town of more than 25,000—though he hopes he isn't put to this cruel test.

TO GATHER the material for a companion book to his highly popular "New Travel Guide to Europe," TEMPLE FIELDING covered 22,000 miles in slightly more than three months, stopping in every country on the continent of South America. In the process of collecting his facts he interviewed some 60 business men—Latin and North Americans—in about 40 different places.

Only once was he the victim of a sharp business practice. On the beach in the little village of Playas, Ecuador, he took a stroll to watch the native dugouts unload their cargoes of bananas from the interior. Under a crude thatched shelter was the temporary storehouse with hundreds of stalks of the fattest, richest bananas he'd ever seen. Walking up to the boss, Fielding pointed to a specimen at least 18 inches long and three inches in diameter and asked if he

might buy it. For a penny the fruit was his.

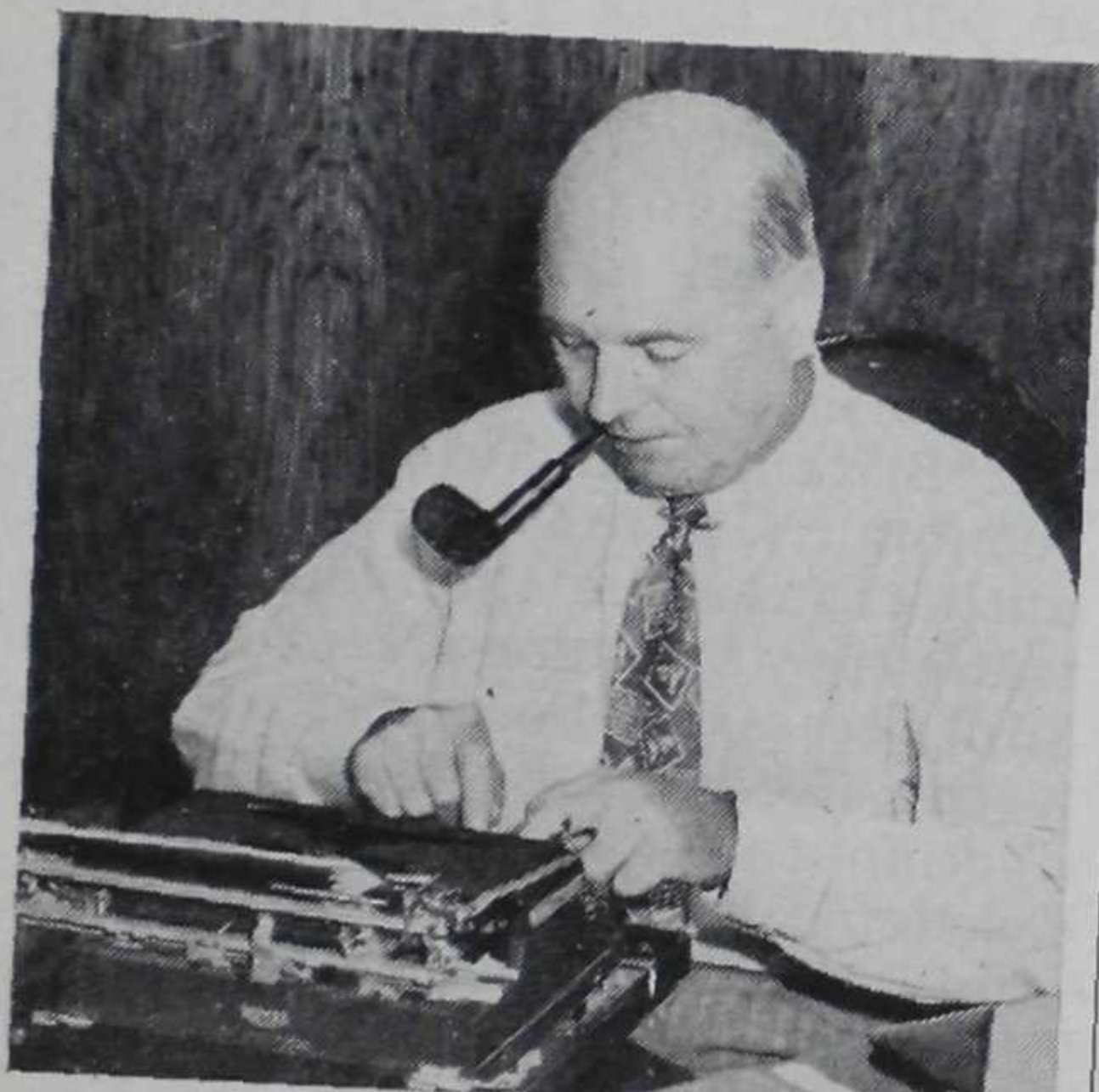
But when he returned to his hacienda and told his host, the host fumed with rage. "That rascal of a Gomaz. He has no principles! You were a sucker, my friend, because the market price is 20 for a penny."

Fielding, a Princeton graduate (cum laude), is no neophyte when it comes to travel. Since 1940 his writing assignments have carried him to 56 countries.

SINCE getting out of the Navy in 1946 as a lieutenant commander, **ANDREW HAMILTON** has gone in for writing in a big way. Some 65 articles of his have been snapped up by many of the country's leading magazines. He also holds down a full-time job as manager of the University of California's Public Information Office on the rapidly expanding Los Angeles campus (U.C.L.A.). Despite tempting offers by several publishers to lure him away from his home state, he prefers freelancing in California.

Hamilton writes on a number of subjects—science, education, travel, local history, personalities and the Navy. He has been a reporter, writer of radio scripts and during the war he prepared Admiral Nimitz' press communiques from the Pacific.

THOUGH **EVERETT RHODES CASTLE** was photographed with only one typewriter, he is familiarly known as Two Typewriter Castle—one



MILLER-ERTLER STUDIOS

machine for fiction and one for advertising. Vice president of an advertising agency, he has been writing fiction since 1917 when George Horace Lorimer of the *Saturday Evening Post* bought his first piece. He modestly attributes his success to the fact that he mixes the former with the latter and never the latter with the former. Or is it the other way around?



here's
**Rock
Island's**

ALL-STAR LINEUP for Shippers

"If you're looking for shipping service with lots of *highball* and *bustle*, just check over the features of our better-than-ever freight team! Whether your shipment is large or small, Rock Island's winning combination has the manpower and equipment to serve you well."

FAST ROCKET FREIGHT



Rocket Freights are Diesel-powered, expedited trains moving between major cities on Rock Island Lines. This also speeds up delivery to intermediate points.

IMPROVED YARD FACILITIES



Faster "sorting," gentle "humping"—in Rock Island's important Kansas City classification yard, where up to 4,000 cars daily are handled. Automatic car icing, too, saves time on perishable shipments.

L. C. L., PACKAGE CARS

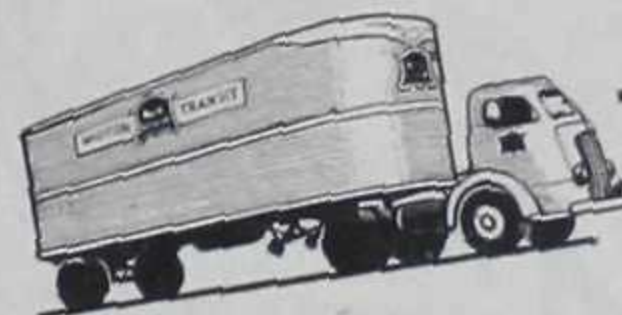


Talk about preferred treatment! Under the Rock Island Package Car System, your L.C.L. shipment travels in a special sealed car to break-up points . . . less chance for loss or damage.



ROCK ISLAND LINES

MOTOR TRANSIT SERVICE



Supplementing Rock Island's 8,000-mile rail network are 5,000 miles of Motor Transit Lines, a coordinated rail-truck system that means *better service*.



It pays to do business in New York State!

The value of exports and imports shipped by vessels through the ports of New York State equals the total dollar value of water-borne shipments handled by all other ports in the country! For other facts, write: *New York State Dept. of Commerce, Room 214, 112 State St., Albany 7, N. Y.*

Off to a good start



Write Dept. 15 for
"TRAVEL TIPS"

Kaufmann
Famous
Two-Suiters

Preferred by experienced travelers for their superb quality, durability, utility and smart design. Available in Smooth Top Grain Cowhide, Genuine Seal, Carabao, and European Pigskin.

Write for name of nearest store.

K. KAUFMANN & CO., INC. • NEWARK 5, N. J.
Makers of Quality Luggage Since 1870



Santa calls twice

AFTER their regular Christmas shopping season, merchants of the country hope to enjoy another buying spree.

Santa will call a second time on the stores when \$2,800,000,000 in insurance refunds are distributed to war veterans.

When some 9,000,000 vets received \$2,000,000,000 in terminal leave bonds in 1947 about 63 per cent cashed them in, according to a study made for the Federal Reserve Board.

About one third of the subsequent purchases went for clothing, furnishings and other nondurable goods. The next highest category was automobiles, homes and similar durable goods.

Of course these billions of extra buying power are impressive but not alongside of the retail total which in 1948 ranged close to \$130,000,000,000. For 1949 chances are this sum will drop a few billion. A fair guess for the year's results, however, would be \$125,000,000,000.

Let the seller beware

ANOTHER sign that the pattern in the business marts is swinging back to normal shows up in the tougher attitude of purchasing agents.

These are the men who buy the materials, equipment and supplies for manufacturers.

Early last fall some of them started to cut down on their "expediting" expense. The expeditor rode the crest of his wave in the war. He was a bottleneck buster.

For a period after the war his services were needed because of shortages due to expanded demands or strike losses. But now the buyers in industry believe it is time for the sellers to see that shipments are made according to the terms of the order. One concern has served notice that all extra expense, such as wires, telephone

calls and express or air freight, will be charged to the supplier hereafter.

In short, the buyer is back in the saddle.

Devaluation possibilities

THE early business verdict on devaluation of the pound sterling and subsequent markdowns on more than a score of other currencies was "mildly deflationary" upon American markets. The reason was that British and other imports would have a better chance of competing here even though only half of the 30½ per cent currency cut was reflected in prices.

More imports mean greater competition but any great rush of foreign goods to our shores seems unlikely. The deflationary influence will be more marked, perhaps, in the shutting off of some of our exports and the accompanying need of selling these excess products here. In other words, part of our usual exports will be rerouted to domestic channels, thus increasing competition.

The basic consideration, of course, is whether devaluation will put Britain and Europe on their economic feet. Most of our business authorities have their doubts because they see some essential steps still necessary. Foremost of these is the necessity of reducing production costs and, as a National Foreign Trade Council study pointed out, devaluation has merely given inefficient producers a "new lease on life."

"Fringe" benefits

A WHILE back it was reported here that the so-called "fringe" benefits in labor contracts were reaching sizable proportions. The term "fringe" implies something on the narrow and slight order—just a bit of decoration.

This little decoration, however, is running into 20 per cent or more

of labor cost with many companies. General Aniline & Film Corporation, for instance, figures the extras at that rate for a sum of about \$6,000,000 a year.

The company states that "wages and salaries for time not worked" added 29 cents an hour to the average wage rate last year. The items so classified fall into 25 types, the largest of which is paid vacations. Others are paid holidays, paid rest periods, lunch periods, wash-up time, Christmas bonus, lost time due to sickness, as well as pensions, life and accident insurance, etc.

Junior board results

ABOUT a year ago the Hickok Manufacturing Company, Rochester, N. Y., manufacturer of belts, buckles, suspenders, jewelry and other men's accessories, formed a junior board of directors to do some independent thinking about the business and make unanimous recommendations to the regular board. "Substantial aid" and "considerable monetary savings" have resulted, according to Ray T. Hickok, president.

Some 22 projects were completed in the first term by the junior board. Members suggested a boys' department be established in the sales division, after a study of market possibilities. Other recommendations accepted included a new system of web inventory control, improvements in packaging, a plan for systematic exchange of ideas with other companies, a reorganization of styling and production plans, suggestions for new products and a new method for selling company products to employees.

The juniors worked out an improved payroll savings plan and 70 per cent of the employees are now subscribing, an increase of 100 per cent over the former total.

Monopoly

WHEN the Sherman antitrust law was legislated almost 60 years ago the big and sound idea was to check monopoly. Big business was told it could not absorb competitors and beat down those who would not be absorbed—to the point of stifling competition.

There has been a resurgence of antitrust action over the past year or so. Some critical questions have been raised because, as it has been pretty well established, "the power to price is the power to tax," and that is the province of government and not of private business.

For a refreshing viewpoint from



*Don't let this
cost you your job!*

**A FLASH OFFICE FIRE . . . VITAL RECORDS
BURNED TO A CRISP, IN SECONDS . . .**

Tough luck for the person-in-charge-of-records who didn't know these facts:

Ordinary wooden or metal files can't be trusted to protect any vital records against fire. Temperatures above 350°F.—common even in a flash fire—cremate papers instantly without exposure to flame . . .



Mosler Insulated Record Containers combine the convenience of a file with the protection of a safe. Available in 2, 3, or 4 drawer heights, letter or legal width—wide variety of finishes.

Suppose your company's records burned!—could you furnish sufficient *proof of loss* to collect on fire insurance? More important, could you duplicate *all* the records your company *must* have to stay in business? **Remember: Some of the most disastrous fires have occurred in fireproof buildings. And 43 out of 100 firms that lose their records in fire, never reopen. So don't gamble with your company's future. . . or your own!**

← **GET POSITIVE PROTECTION, NOW!** Install Mosler Insulated Record Containers . . . They provide the constant, on-the-spot protection of a one-hour Underwriters' Laboratories, Inc., Class C, tested and approved safe—plus the convenience of a modern, efficient filing system. Insulated receding door locks over file drawers . . . seals fire out! Yet, it costs so little for this invaluable protection.

Why take chances? See your Mosler dealer today, and be sure! Send for the illustrated booklet, "Mosler Insulated Record Containers."

The **Mosler Safe Co.**

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Since 1848

Dealers in principal cities
Factories: Hamilton, Ohio
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and Vaults in the World



Builders of the U. S. Gold Storage
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FILL OUT AND MAIL TODAY!

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320 Fifth Ave., New York 1, N. Y.

Please send me:

- ☐ The new free booklet, "Mosler Insulated Record Containers."
- ☐ The name of my nearest Mosler Dealer.

Name _____

Firm _____

Address _____

City _____ Zone _____ State _____



Junior loves the washing machine

And so does mother. She turns a switch and sets a dial—and lets water and electricity do the family wash. No more “blue Mondays” for folks with washing machines. Takes a lot of water but water is cheap—the cheapest necessity that you buy. You get a ton-and-a-quarter of it (average family daily consumption) for about a dime.

Why water service costs little

The low cost of water service is largely due to the long life of cast iron pipe. For these three reasons: (1) distribution mains represent more than half of the original cost of a water supply system; (2) over 95% of America's water distribution mains are built with cast iron pipe; (3) periodic replacements of mains, necessary with shorter-lived pipe, are avoided by the use of long-lived cast iron pipe. Cast iron pipe thus contributes greatly to the low cost of water by saving millions of dollars in water works operation. Cast Iron Pipe Research Association, T. F. Wolfe, Engineer, 122 S. Michigan Ave., Chicago 3, Ill.

**96% OF ALL 6-INCH AND LARGER CAST IRON WATER MAINS
EVER LAID IN 25 REPRESENTATIVE CITIES ARE STILL IN SERVICE.**

Based on the findings of a survey conducted by leading water works engineers.

CAST IRON PIPE

SERVES  FOR CENTURIES

LOOK FOR THIS MARK

IT IDENTIFIES CAST IRON PIPE

Big Business, a recent address of Crawford H. Greenewalt, president of the du Pont Company, contained plenty of meat. His talk bristled with good quotes. For instance:

“Experience in other countries has shown that the hand of monopoly is a dead hand indeed. It profits no one, least of all the company that attempts to practice it.”

Size and success of du Pont, Greenewalt said, have come through new products and processes and not through stifling competition. As proof he cited the fact that 60 per cent of the company's sales in 1948 were of products not made in 1928.

In 1928 basic research on nylon was started. It was 1940 and \$27,-000,000 later before the first pound was sold commercially. Before the first world war we printed our money and stamps with German dyes. For du Pont it took 18 years and \$43,000,000 to get into the black on American dyestuffs.

The du Pont president added that not more than one out of five research dollars pays off. The question he seemed to pose was, “Is there anything wrong about Bigness built on Big Brains?”

Incentive pay results

AN IMPOSING number of advantages are claimed for the program of “incentive compensation” upon which the Lincoln Electric Company of Cleveland embarked in 1914. The plan highlights piece-work pay, rewards for suggestions, employee ownership of stock, year-end bonuses and various welfare benefits.

Here are the results since 1933: Production per man up seven times; take-home annual wages up four times; dividends up three times; number of employees up four times; prices reduced 50 per cent. Dividends have been paid continuously for more than 25 years.

Lincoln claims that, measured in dollars, it has the highest paid factory help in the world. Measured in units of work produced per man, the company adds that these are the lowest cost workers in the world in a similar line of work.

Now that he has made such progress in licking costs of production, James F. Lincoln, company president, is aiming at the cost of distribution “because it costs the consumer more to have products sold to him than it does to produce them.” Sometimes it costs ten times as much.

As his first experiment, Lincoln has devised a scheme for sell-

Decker & Ward

COURTHOUSE SQUARE.

RED HOOK, NEW YORK

Broken up . . . a thriving business! (and it could be yours)

A MONTH AGO, this was a profitable partnership—earning better than a good living for two families.

Today, this business has ceased to exist—because a partner has passed away and his heirs have demanded a cash settlement for their interest. To make this possible the business had to be dissolved.

Everybody lost by the liquidation—the heirs of the partner who died *and* the surviving partner. For the assets of the business had to be put on the block for what they'd bring.

And if you own a partner's share in a business, it could be *your* partnership that's being broken up.

For the death of one partner too often means liquidation—or at best, reorganization, refinancing, and a costly new start.

. . . Unless there is a fund ready at hand to buy the interest of the partner who has died.

Your Travelers agent or broker can tell you how, through life insurance, you and your partner can make sure right now that this lump sum will be available, free and clear, when it's needed.

Under the plan, each of the partners in your business arranges insurance on the lives of the other partners.

And the minute the policies are received and the premiums paid, each of you is assured that there'll be money on hand to buy out a partner's interest should he pass on.

At the same time, each of you is assured that the portion your heirs receive will never have to be sacrificed for a fraction of its value.

This Travelers Business Life Insurance Plan usually costs less than the bare interest on the sum you'd have to borrow to buy the share of a deceased partner.

Talk over with your attorney this problem of continuing your business, whether it is a partnership, a corporation, or a sole proprietorship.

Then, ask your Travelers man to work up a plan that'll be tailor-made for your specific needs.

MORAL: INSURE IN

THE TRAVELERS

ALL FORMS OF INSURANCE AND SURETY BONDS

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford 15, Connecticut. Serving the insurance public in the United States since 1864 and in Canada since 1865.

MEET THE MACHINE THAT'S MAKING DICTATING HISTORY!

THE DICTAPHONE TIME-MASTER!



Never before has one dictating machine so outstripped all others in advantages to the user. It's the most *successful* dictating machine in history. Only 4½" high and letterhead size, the TIME-MASTER helps you save time and cut costs!



The revolutionary **Memobelt** is the newest, most practical of all recording media. 5 mil in an ordinary envelope for 3¢. The tiny *Memobelt* record is so economical to use that you simply mail, file, or transcribe and discard it after *only one use*!



Unheard-of convenience is yours with the TIME-MASTER at your elbow! Fool-proof simplicity of TIME-MASTER operation lets you trap those fleeting thoughts instantly! Just the flick of a switch and you can do your thinking out loud!



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ing welders used on farms for less money. He calls this "just a halting step" but the price has been cut 25 per cent to the farmers.

Problems of the spirit

OVER the past year the American Society for Engineering Education has had as its theme "Partnership with Industry," and ways to improve the relationship of the engineering schools to the practical affairs of business were fully discussed.

Dr. T. Keith Glennan of the Case Institute of Technology, Cleveland, summed up the results.

For instance, he mentioned a "deplorable" emphasis upon security on the part of the younger generation which handicaps their selection of careers. He cited also "the lack of follow-up" of the engineering graduate to measure and guide his performance. Finally, he noted the need for nurturing the American concept of democracy. These areas have little direct concern with technology, Dr. Glennan agreed at the same time adding:

"They deal with the all-important matters of attitude and self-reliance; a real follow-up on the graduate in an attempt to appraise the quality and effectiveness of our education and, finally, a concern for the development of an understanding of our system of individual liberty and equal opportunity for all men. They have been directing the whole man, shaping his attitudes and his spirit. It is in these things in which we are weakest and most troubled.

"In technology, engineering education is strong. We can say with confidence that America can and will solve its problems of technology and of dollars and cents. Whether America will solve its problems of the spirit is the question yet to be answered."



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MANAGEMENT'S *Washington* LETTER

► **POWERFUL GROWTH** factors are missing in 1950's economic outlook.

No great industries—steel, industrial construction, for example—plan expansion that might create upward sweep.

Or might duplicate auto industry's 1948 performance of absorbing men, materials freed as demand for other goods diminished.

That's why this season's crop of year-ahead forecasts are short on optimism.

Note: Federal deficit spending will help keep economy buoyant, could bring inflationary turn.

► **RECORD SHOWS** Bureau of Agricultural Economics annual business level forecast is among most accurate made by federal agencies.

So it merits your attention. And this is what it has to say about 1950, barring unexpected foreign or strike developments:

"A further slight reduction in economic activity and a relatively slow decline in prices appear likely for 1950.

"Aside from the possibility of a substantial increase in defense expenditures, the gradual downtrend in activity that appears probable for next year will be reflected in slightly lower levels of employment and income than in 1949.

"On the basis of presently authorized appropriations, government expenditures will increase through at least the first half of 1950, though at a slower rate than in the past year.

"Unless defense requirements should become greater, present program indicates a tapering off in government expenditures in the latter part of 1950.

"The residential construction boom, supplemented by increasing public housing, is expected to continue in 1950 at a level not appreciably below this year."

In this general business setting, the bureau expects cash receipts of farmers to be about 10 per cent under 1948.

That would be a drop of nearly \$3,000,000,000 from this year's level.

Note: Bureau last year called the turn on agricultural prices, but underestimated the drop.

► **DEMAND FOR EXCISE** tax cut will open whole tax field early next year.

But Congress will not meet President

Truman's demand for important tax rate boosts necessary to avoid federal deficit.

Estimate of deficit is \$5,500,000,000. It would take an across-the-board rise of 18 per cent in personal income and corporation taxes to cover that.

Best bet: Congress will repeal war-time increase in excise taxes, except on liquor, beer. This would cut revenue by about \$500,000,000 annually.

To make up that loss, steer clear of cutting Government's income during deficit financing, legislators will make small rises in inheritance, corporation rates.

Personal income rates are safe during election year.

► **IS DOLLAR DEVALUATION** coming?

Despite talk of increasing price of gold, it's very unlikely.

As far as law is concerned, it's on both sides of the question.

Under authority of Gold Reserve Act of 1934, the Secretary of the Treasury, with approval of the President, may buy and sell gold at such rates and on such terms as "he may deem most advantageous to the public interest."

But under provisions of Bretton Woods Agreements Act and International Monetary Fund articles, value of the dollar may be varied only by act of Congress.

► **WHAT IS REGULAR** rate of pay?

You need to know that—as new Wage-Hour Act requirements define it—to determine proper overtime pay.

Amendments fill wage-hour regulations with new provisions you should understand thoroughly to avoid costly violation—or unnecessary wage payments.

For example:

You can subtract several items from "regular" pay when computing base for time and a half after 40 hours.

Among these are bonuses, profit-sharing pay, gifts, savings plans under some conditions.

Also deductible are employer contributions to employee pension or insurance plans, premium pay (under some conditions), pay for time not actually worked.

Examine new exemptions—coverage of your operations may have changed.

Exemptions of employees of small news-

MANAGEMENT'S *Washington* LETTER

papers, telephone exchanges, those under some guaranteed wage agreements have been broadened.

Exemptions are narrowed for employees of airlines, fish canneries.

New specific exemptions include taxicab employees, radio and television performers, outside buyers of poultry and dairy products, buttermilk workers, smaller Western Union agencies, mutual irrigation ditch workers, employees of some forestry operations.

Another important change:

Under old law only employees could bring suit to collect unpaid overtime wages.

Now administrators can bring suit on behalf of employees—but only if they have employees' written consent.

About 1,500,000 employees will get direct pay raises under new 75 cent minimum. It becomes effective Jan. 24.

Added direct payroll cost is estimated at 1 per cent of nation's total wage bill.

Nation's total payroll—wages and salaries—is about \$135,000,000,000 annually at present rate.

For 56 page U. S. Chamber of Commerce booklet explaining new regulations in simple, nonlegal language send us 15 cents. Address Nation's Business, Washington 6, D. C. Ask for "What Does the Wage-Hour Act Mean?"

► PROPOSALS TO REGULATE fuel use may come in next session of Congress.

In talking stage are laws that would tell you whether you could heat your home—or your industrial processes—with coal, gas or oil.

As an alternative to such regulation, there's discussion of subsidy steps to get more coal mined.

Proposals arise among members, staff of National Security Resources Board, worried about coal's possible loss of market because of uncertainty of supply.

Railroads' shift to diesel power is shown by fact that Class I roads have 7,000 diesels in use, a 215 per cent rise in five years.

Many industries, including utilities, that have been big coal users, are converting to oil or gas.

Domestic space heating installations continue trend toward gas, oil.

Federal Power Commission has authorized 25,000 miles of natural gas pipelines in past 10 years.

Point worrying NSRB: Dependence of industry on oil may be becoming too great—in case of war.

In that event production and military might be limited on oil use.

So NSRB discusses ways of keeping the nation's 2,000 year supply of coal flowing to market.

There's talk of laws that would require industry to use coal, or at least a minimum amount of it, while homes used gas or oil for heating and cooking.

► OPPOSITION TO POINT Four develops among smaller oil operators, metals miners.

Under Point Four U. S. companies would develop foreign natural resources, with American government guarantees against some losses.

Some oil producers, copper, lead, zinc and tungsten mine operators—most of them marginal—contend such development unfairly would increase competition in U. S. markets.

Big companies would face same competition, they add, but would profit either way, since big companies would do the foreign developing.

► SPOT CHECKS by government statisticians show no rise in labor productivity in past 10 years.

Government makes no over-all analysis of labor productivity. But it does make sampling checks.

Here's comment of one top-level government statistician during conference with economists:

"The rising trend in productivity which was considered normal before the war has not yet resumed. Over-all productivity in American industry is very little higher than in 1939."

To which another government statistician added: "As a matter of fact, it is almost exactly the same."

Note: General Motors contract with United Auto Workers lists 3 per cent per year as the expected normal increase in productivity.

► PERIMETER DEVELOPMENT leaves rapidly expanding blighted areas in many U. S. cities.

New schools rise in suburbs to handle rising enrollments, while old schools stand nearly empty in central areas.

Traffic problems grow as residents move to suburbs to escape tumbling-in sections of central cities.

Urban values drop, cutting tax income

as the cost of city services grows.

Federal Government will help you reverse, or at least check, this trend.

It will spend millions to turn deteriorated metropolitan areas into sparkling new developments—industrial, commercial or residential.

Don't overlook this possibility in urban redevelopment sections of Housing Act of 1949.

Here's how it will work:

City selects site for redevelopment, borrows (let's say \$1,000,000 for example) from federal Government.

With this borrowed money city buys up and clears the site, which must be assembled into one piece of land.

Then land is sold in one piece—for what it will bring reasonably—for private redevelopment.

It may be used for a new industrial plant site, commercial center or residential development.

Land price may be set to attract private developers—and the federal Government will stand two thirds of the write-down.

Let's say land is sold to developer for \$100,000. In this case Government would take \$600,000 loss. City would pay back \$400,000 of original loan—\$100,000 received in payment and \$300,000 from its treasury.

For this amount city would convert slum or otherwise blighted area into new, income-producing section.

Note: Projects under this plan must be part of community's over-all master plan. Funds will not be "loaned" for single project not related to community-wide rehabilitation program.

Prospective buyer-developer should be lined up before application for funds is made. But administrators indicate they will not insist on firm deal as condition of loan.

Philadelphia has prepared applications for 10 redevelopment projects.

Write to Housing & Home Financing Agency, Washington 25, D. C., for copy of Title I of Housing Act of 1949.

► ARE YOUR OFFICE workers sufficiently mechanized?

Probably not, according to William G. Zaenglein, an authority on office procedures, who contends that—

"The biggest single reason for improvement of the economic position of the factory worker compared with that of the office worker is that the former's output in recent years has shown a much larger relative increase.

"That is because industry is much more solicitous of the factory worker when it

MANAGEMENT'S

Washington

LETTER

comes to supplying him with tools."

Zaenglein said investment per worker in industry ranges from \$2,659 to \$19,375 while investment per office worker is not more than \$1,000.

This, he contends, is causing a change in economic relationship of the two groups.

► STATE DEPARTMENT tries to break down foreign trade bartering agreements with one hand. With the other, it barterers.


State policymakers, ECA Administrator Paul G. Hoffman cajole and threaten to make world trade free.

But State has another point to consider: For years Government has controlled commodity exports, has been exporting about 500,000,000 bushels of wheat annually.

Now wheat's in surplus. Foreign demand diminishes. And Government may be accused of losing foreign markets it refused to let private traders develop.

So Government quietly deals with India to trade wheat for manganese, with Spain to get mercury.

► BRIEFS: Hands across the (ideological) sea note: Post Office Department will issue a stamp commemorating 75th anniversary of founding of American Bankers Association....More than 100 of the 300 tugs usually at work in New York harbor are laid up because of lack of cargo....Airline made check of 1,500 reservations on its Washington books on day of nation's worst civil air crash—at National Airport. It traced five cancellations to the crash....Devaluation of Canadian dollar brought rise of inquiries at Ottawa from U. S. firms considering establishing Canadian branches....More than 60 per cent of U. S. cotton exports in last crop year have been financed by ECA....Coffee prices rise on prediction of short crop in Brazil, more than six months before it will be ready to harvest....Scheduled airmail flights reach 507 of the 39,500 post offices in the U. S....Staff that got rid of \$24,600,000,000 in war surplus property have become surplus themselves. With only \$1,000,000,000 worth of property left, most of it real estate, administration will chop two thirds off its staff this year.



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TRENDS



OF NATION'S BUSINESS

The State of the Nation

IN THE EARLY YEARS of this century, when life was a good deal less complicated, and in some ways much more pleasant, there lived and worked an English playwright whose name was Arthur Wing Pinero.

Because of his contemporary though transient popularity, Pinero was knighted and died Sir Arthur. Now the brush of time has swept away his rather brittle productions, reducing them to the forlorn proportions of a passing reference in college drama courses. Yet Arthur Wing Pinero wrote one play of which the title at least is memorable.

It was called "Mid-Channel," with reference to the fact that half way from Dover to Calais there is a dangerous tide rip in the English Channel, likely to cause qualms to travelers even in fair weather, even to seasoned sailors. The play, if memory serves, dealt with the psychological tide rip which shakes up many a matrimonial barque in the mid-channel of life's passage. But the graphic title has even more general application.

Mid-channel, when the enthusiasm of beginning has given way to unforeseen difficulties impeding successful conclusion, is always a dangerous location. It is the point of no-return that trans-Atlantic flyers talk about. In every life, of men, of institutions, or of governmental policies, there comes a crossing of this stormy area, where discouragement is certain and where disaster is possible.

As 1949 draws to its close it must be clear, to

all who consider the subject at all, that our European Recovery Program is in mid-channel.

The Marshall plan was inaugurated, nearly two years ago, as a definite four-year program. It was believed, and indeed confidently asserted, that the expenditure of some \$20,000,000,000 on aid to western Europe during this four-year period would bring economic recovery over there. The program was advertised as one of rehabilitation—not relief. It is supposed to terminate on June 30, 1952, and so far nobody in authority has said that American grants to the beneficiary governments should be continued after that date.

As the Marshall plan approaches the half-way mark, with more than \$7,000,000,000 already spent and another \$3,000,000,000 authorized for spending during the remainder of the current fiscal year, it is appropriate to consider its accomplishment. This is the more important since the prospective federal deficit for this year promises to be somewhat greater than current Marshall plan expenditures. Since we are running in the red by rather more than the amount we are giving to western Europe—military aid excluded—unprejudiced examination of the utility of this expenditure is very much in order.

Statistical data is important for such an inquiry. But even more important is firsthand investigation, in the beneficiary countries, of what the Marshall plan is accomplishing. This particular judgment is made immediately after the

TRENDS



OF NATION'S BUSINESS

writer's return from an eight weeks' visit to Britain, France and Western Germany, during which the opinions of many in public and private life were asked and sifted.

From this inquiry one conclusion stands out beyond the shadow of doubt. In the countries mentioned, and probably in all the other beneficiary nations of western Europe, the improvement during the period of Marshall plan operation has been far too pronounced to be discounted as mere coincidence. Advance has been especially striking in the part of Germany under American, British and French military occupation, though it must be remembered that life here had been reduced to an absolutely primitive level two years ago.

This general improvement in western Europe has been both economic and, from the American viewpoint, political. Communism, which was an active revolutionary threat in both France and Italy when the Marshall plan was launched, is now on the defensive in both those countries. And some of the credit for the split between Yugoslavia and Russia is unquestionably due to ERP operations in Italy. Tito has been much influenced by Italian contentment with American aid.

And the Marshall plan, which on the whole is very well administered in Europe, has done more than turn the average wage earner away from communism. It has also had the positive result of turning him toward free enterprise. The retreat of doctrinaire socialism has been pronounced throughout most of western Europe during the past two years. Even in Britain, where socialist theory seemed most strongly entrenched, there has been a tendency to lessen controls and at least to slow down the extension of state, at the expense of private, enterprise.

That is one side of the ledger. There is, however, another side and the items on it are disquieting. They can best be summed up by saying that western Europe is letting itself become wholly dependent on American aid, to the tune of about \$5,000,000,000 a year, and is today living on the assumption that this "dole"—as Winston Churchill bluntly calls it—will be continued indefinitely.

The devaluation of the British pound on Sept. 19, followed by that of all the principal continental currencies, was positive proof of this dependence. What devaluation demonstrated, in the simplest possible language, was that the British have been unable to balance their expenditure and income even with the aid of around \$1,000,-

000,000 a year of free imports from the United States. And it is still to be proved that the application of more austerity in British living will be successful in closing the "dollar gap" even during the continuation of the Marshall plan.

British devaluation, ordered without advance notice to the French and serving as the proximate cause of a serious political crisis in Paris, was also illustrative of the most fundamental weakness in Marshall plan operations. That weakness is the practice of dealing with each of our European beneficiaries separately, in spite of a certain superficial coordination achieved by the Committee for European Economic Co-operation in Paris.

The Marshall plan was based on the assumption that it would lead, if not to European union, at least to the elimination of customs barriers between the little European states, to the abolition of quotas and embargoes in continental trade, and to a lessening of their stultifying currency and exchange restrictions. Western Europe can no longer afford the luxury of its narrow nationalisms, and unless its producers can sell with fewer restrictions in broader markets, there is no hope of permanent improvement over there.

Under compulsion, some real unification in Europe would probably be taking place. But the Marshall plan, as at present directed, has paradoxically removed all sense of urgency in the development of European unity. Parochial governments are continuing to think in parochial terms precisely because American subsidies permit them to stay in their separate ruts. After nearly two years of this assistance there is still no evidence that the governments of western Europe are willing to see their problems as a whole.

They still insist, for instance, on a dismantling of German industry which, from any continental viewpoint, would be of the greatest value to European recovery. Yet the British and French can impose this dismantling only because the United States foolishly agrees to let the American taxpayer stand all the costs of this destructive policy.

The benefits of the Marshall plan have been far too real to justify any assertion that its first two years were largely wasted. But it is nevertheless true that unless there is soon some positive pressure from this country, to promote real unity in Europe, these first two years will in the long run prove to have done nothing of lasting value.

What is well called "the specter of 1952" already looms over the European horizon. And the willing dependence of these countries on American subsidies, as 1950 comes in, is evidence that this specter is going to grow more ominous.

The Marshall plan is now in mid-channel. It will not reach the port anticipated unless the present procedure of carefree navigation is reviewed, and soon.

—FELIX MORLEY

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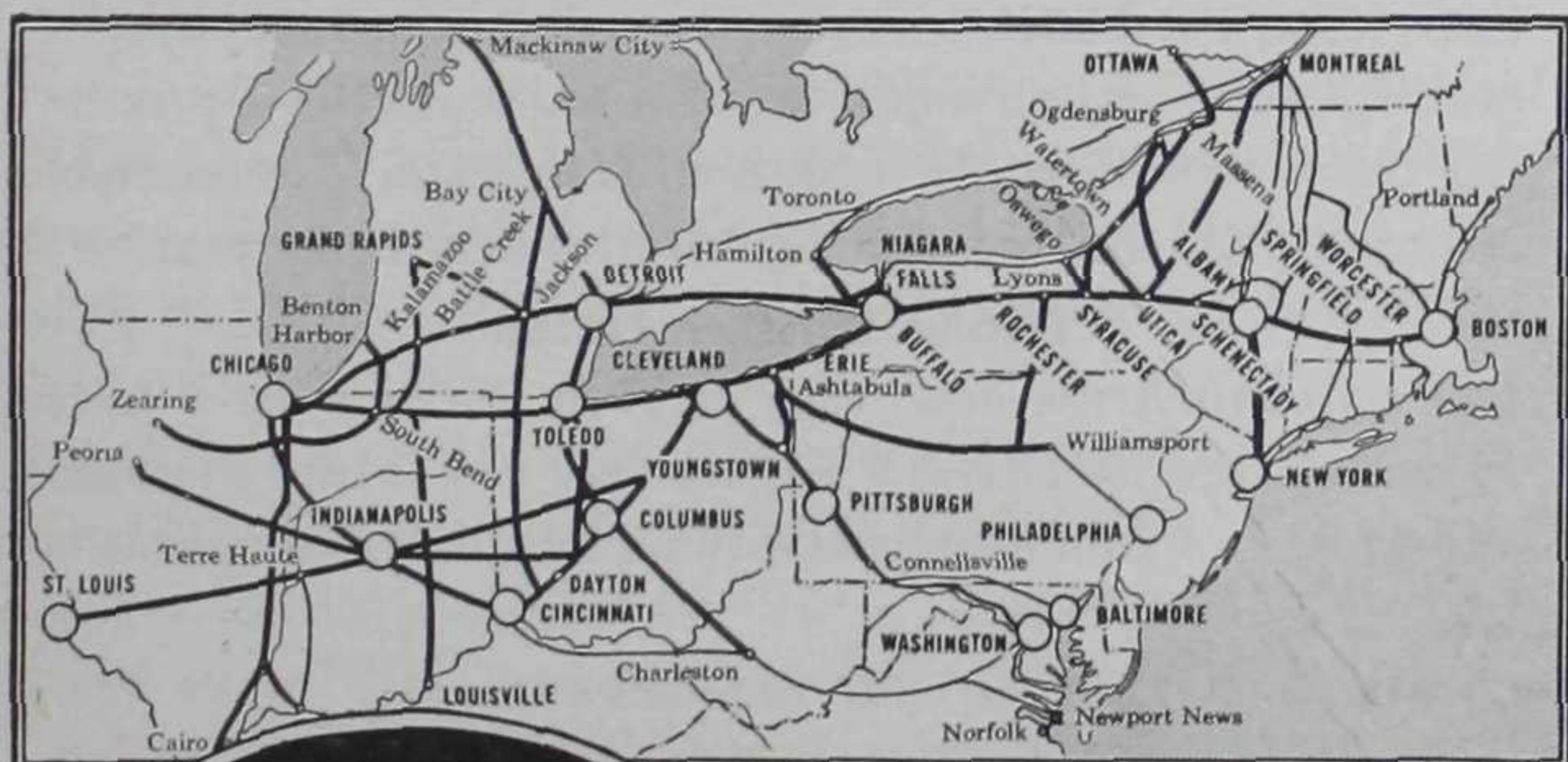
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The Month's Business Highlights

WITH housing and the defense program as its chief supports good business is in prospect for 1950. A good bit of catching up will have to be done because of the production lost in the 1949 strikes.

Results of the devaluation of foreign currencies will be a mild stimulant to business in 1950. Tariff readjustments are likely to make the coming year a more important one insofar as international trade is concerned. Some progress will be made in creating more buying power in the underdeveloped countries, but that program must be regarded as an investment that will not begin to pay dividends in a money sense for a long time, although short-term intangible benefits are involved.

At the moment business is more concerned with the basic problems raised by the coal and steel strikes. The question of how much of the cost of social security industry can assume is hard to answer. It means higher production costs and higher prices and a further strain on the consumer's dollar. Reasonable security for workers has broad public support. However, providing for workers in certain industries and not in others is unfair. This has given impetus to the Government's social security program which reaches all workers. Pension plans in industry raise complex questions of competitive adjustments. Of broader import, however, is the development which deprives the economy of more of its flexibility—an economy that responds more slowly to market forces and creates a climate in which government action thrives. More obstacles are placed in the path of free enterprise.

It is apparent that neither labor, nor management, nor the United States, nor the world can afford strikes. The immediate participants are not the worst sufferers. Consumers, small business, and other innocent bystanders are hurt more. With nation-wide unions there is no collective bargaining in the sense intended by law. The workmen and management officials involved have little chance to discuss differences on their merits. They are pawns in a struggle in which labor leaders strive to elbow the issues into the field of public policy.

This is not difficult to do. A strike does not have to continue to the point of threatening the whole national economy before it arouses public opinion. Desperate situations are created in local areas before they become nationally critical. As these local situations increase, pressure builds up

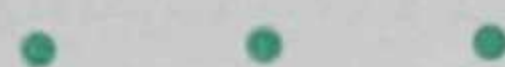
TRENDS



OF NATION'S BUSINESS

for intervention by public authorities. So, in effect, the public decides a technical question, such as pension policy, without having a good basis for a decision. One effect of the strike is to revive the demand that penalties be provided for interference with settlements in individual plants or in small

areas. Outright prohibition of industry-wide bargaining probably is not politically possible, but protection for those who want to work out a settlement that meets local approval may be obtainable in many cases.



Business men, in these days, have a grasp of basic policies which have a bearing on their welfare. Nothing is more fundamental than federal financial policies. The fact that federal expenditures are running ahead of federal income is a matter of concern in the country store just as it is in the great countinghouses.

It is frequently argued that deficit spending is necessary to provide an adequate money supply for an expanding economy. Deficit spending never is necessary for that purpose. Deficit spending does not create money. It creates income. If the deficit is financed by borrowing from the public it does not result in creating money. It causes the more active use of existing money. If the borrowing is from banks, money is created by the banks. That is incidental. Money could be created anyway by the banks with the help of Federal Reserve without additional borrowing by the Government.

A deficit is the result of appropriations in excess of revenue. It results from projects voted by Congress. At the same time Congress does not increase taxes. A deficit is helpful in a period of deflation because it creates a demand for goods, without affecting the demand by increased cuts in people's disposable income through taxation. At a period like the present a deficit is unfortunate, because the economy is working near capacity and is not in need of stimulation. If expenditures are not cut, heavier taxation becomes the appropriate remedy.

A deficit is not a concealed tax. It is merely an item on the Treasury's books. It can, however, give rise to inflation and to a rise in prices. It is in the nature of a high and indiscriminate sales tax. A deficit leads to inflation. Inflation is the worst form of taxation. Criticism should not be directed exclusively at the deficit. All the necessary pur-



poses of the Government could be accomplished without a deficit simply by eliminating waste and increasing efficiency.

A \$4,000,000,000 to \$6,000,000,000 deficit is not highly important in itself. If we have such a

deficit in a prosperous year, then we shall always have deficits, because in a bad year revenue will go down and expenditures will go up. A deficit at this time raises the question about long-term policy. Shall we ever find a way of living within our means? If we do not then we shall gradually destroy our free economy by inflation.



Once price supports are undertaken they are hard to abandon or even modify. This was demonstrated anew when Congress refused to allow flexible supports to go into effect on certain agricultural commodities. It seems probable that another permanent rigidity has been introduced into the economy. The Secretary of Agriculture fought to the last ditch for his income-parity plan, arguing that it protects farmers without upsetting the price structure, or without offering inducements for added output.

The most effective opposition to the Brannan plan came from the farmers themselves who condemned it as paternalistic. The farmer likes the parity arrangement because it gives the impression of being a market matter rather than a subsidy, but the Brannan scheme is far from dead.

A few more permanent rigidities will add up to rigor mortis for a free market.



Housing has had its best year. Performance in 1949 confounded all the forecasters. The construction industry has filled one demand after another. First it met the demand for high-cost housing. Then it turned to rental housing. Now it is embarking upon a program of low-priced apartment houses. The shortage in the latter field is acute.

The 1950 census of population will pay more attention to marketing than any one of the 16 previous ones. It will be the best national measurement of those in a position to buy that ever has been undertaken.

The outstanding fact about population is that it is growing much faster than forecasters expected. There seem to be hidden forces—still unknown to man—that determine the rate of population growth. One thing is clear—it is growing too fast—the number of people to be fed and clothed and housed is increasing much faster than our ability to supply primary needs.

The great mass of humanity is on a starvation diet. Throughout the world the standard of living is simple. The problem is to remain living.

Scholars are making intensive studies of the problem of population growth. Long-term trends are still beyond human ken. It is known, however, that within the span of a few years the population factor will become the most determining and the most fundamental one with which this country has to deal.



Regardless of what may happen in the way of short-term swings, the psychology of the boom is past. A period has been reached where purchases of both producers' and consumers' goods can be postponed and will be postponed if output is reduced and unit costs increased. If buying is to continue at present or increased volume, management and labor must concentrate on efficiency in production and marketing, on cost reduction, and on competitive pricing.

Cost of government is being shifted more and more to Uncle Sam. In 1916 federal expenditures represented 20 per cent of expenditures by public agencies. This rose to 68 per cent in 1948. Sixty-five per cent of the cost of government was borne by local units (counties, cities and townships) in 1916. This fell to 17 per cent in 1948. While state expenditures doubled between 1916 and 1948, they were 15 per cent of the national total in 1916 and remained at 15 per cent in 1948.

Loans for business purposes went down more than 15 per cent before the decline stopped. Now the fog has lifted and more people are going ahead with their plans. The adjustment may not be over entirely because the volume of money still exceeds the volume of production. That distortion remains to be ironed out.

Demand for automobiles seems insatiable. Instalment loans for cars have been running more than 60 per cent ahead of last year. Continuance of high-level demand is providing much-needed support for tires, glass and industrial finishes.

Greater inroads are being made on coal by competitive fuels. The great increase in the use of oil and natural gas indicates that costs of producing coal cannot be pushed much higher without resulting in loss of market that will close many high-cost mines.

Backlogs of orders held by the makers of machine tools declined greatly from the 1945-47 level, but the industry has something for which to look forward. Increasing competition means more changes in automobile designs and new tooling. Industry must prepare to meet increased competition. High labor costs call for improved machines. ECA orders for tools will increase.

Furniture production has increased. Prices are down more than ten per cent. Quality is up 15 per cent.

—PAUL WOOTON

Washington Scenes



BACK HOME after a 290 day session, members of the Eighty-first Congress are trying to find out where they stand with the boss—the ordinary voter.

Without waiting for the lawmakers to return, it is possible to report in a general way what they will discover as they meet their constituents face to face. The advance information comes from political scouts. These are employed by both parties, and it is their business to roam the country and size up the political situation. Their findings, as brought into Washington, are about as follows:

1. Generally speaking—and allowing for certain exceptions based on geography and economic status—the American people seem to think that President Truman is doing a reasonably good job. They do not regard him as a brilliant man, and therefore do not expect a brilliant performance. They say, however, that he is doing the best he can, which they mean to be a compliment. They have not been much disturbed by the story of Gen. Harry H. Vaughan and the deep freezers, looking upon it as a minor and somewhat amusing Washington episode.

2. Republicans are not getting across their argument against the “welfare state” or “statism.” For one thing, the terms need explaining and, therefore, do not strike home; for another, Mr. Truman put in a telling blow when he called them “scare words.”

3. The best bet for the Republicans, it seems, is to hammer at the welfare state by talking about its cost. But in doing so the G.O.P. orators have got to come down out of the economic stratosphere; they have got to talk, not about billions, but about Joe Doakes and his weekly pay envelope.

The pocketbook nerve of the American voter was never so sensitive as it is today.

I was reminded of this on a trip to New York. Congress was winding up its long-drawn-out session at the time, but New Yorkers did not seem to be greatly interested. Politically, their chief concern was a mayoralty race and the senatorial battle between John Foster Dulles and Herbert Lehman. Something did happen, however, that drew their attention to Washington. One evening in Times Square, among the theater-goers that streamed past the Hotel Astor, I saw a couple holding up a tabloid and looking at a banner line which read: “Truman Asks for Tax Boost.” The woman reacted faster than her escort.

“Imagine that!” she exclaimed. “As if we

were not paying enough already.”

About this time, Governor Dewey was out on the stump putting in some licks for his friend, Dulles. It seemed a forlorn effort, but Dewey appeared to be enjoying the experience. The wraps were off, 1948 “unity” was in the ash can, and the titular leader of the G.O.P. was talking a language that the man in the street could understand—the language of dollars and cents.

With a scornful reference to the professional “liberals,” Dewey would say:

“Too many people believe now that the liberal is the fellow who hands out the largest amount of dough that doesn’t belong to him. There is no money in government. You pay every dime the Government spends. . . . Please do not confuse liberalism with the quality of being generous with someone else’s money. It doesn’t belong to someone else—it’s yours.”

Notwithstanding Dulles’ defeat in New York, this line of argument is going to be heard more and more between now and the 1950 election. One of the political scouts, a Republican, thinks the argument would be much more effective if it weren’t for the present system of collecting income taxes; that is, the payroll-deduction system. He conceded, of course, that this scheme helps the Treasury and is the sensible way of doing the thing. But it was a fact, he said, and an unfortunate one from the Republican standpoint, that the “deduct” method takes a lot of the sting out of paying taxes.

“If,” he said, “the housewife had to take \$10 or \$15 out of her husband’s weekly pay envelope and shove it across the sill to a government collector, I think maybe the Fair Deal wouldn’t be doing so well.”



Apropos the terms “welfare state” and “statism,” it is interesting to recall how they happened to gain currency in American politics. Both of course had been in use abroad and to some extent over here, but it was a Democrat—and a very distinguished one—who caused Republicans to go for them in a big way.

Former Secretary of State James F. Byrnes made a speech back in April at Washington and Lee University, one that aroused a good deal of anger at the White House. Byrnes warned against some of the Fair Deal proposals before Congress. He said they would bring on a welfare state in

TRENDS



OF NATION'S BUSINESS

which the American people would become "economic slaves." In the same speech, the South Carolinian voiced a fear that the United States might be "going down the road to statism."

Republicans in Congress were delighted by the spectacle of an elder statesman of the Democratic Party, formerly Mr. Truman's No. 1 Cabinet officer, saying things which they themselves had been saying. Several of them arose in Congress to praise Byrnes, and soon many of them were paying him the compliment of adopting his language.

Mr. Truman bided his time. He would not comment when reporters asked him about the Byrnes speech at a White House news conference. He waited for nearly six months, and then on Labor Day he let fly with a speech in which he branded "welfare state," "statism" and "collectivism" as "scare words."

In doing so, he used his own favorite scare words—"special interests." He said these special interests (not identified) were employing the scare-word campaign to sabotage his Fair Deal program for the "little fellow."

A few days later, talking to reporters at the White House, the President smilingly confessed that he didn't know the meaning of the word statism. He said he had looked it up, but had found that the dictionaries weren't agreed on a definition. Dr. Gallup followed this up with a poll, and announced that 68 per cent of those questioned said frankly that they didn't know what the word meant.

Mr. Truman next took the phrase welfare state and sought to fashion it into a boomerang. He said in effect that it was true that he favored the welfare state. He recalled that the founding fathers, in setting up the Republic, declared in the preamble of the Constitution that it was formed to "promote the general welfare."

The Fair Deal program had come from the grass roots, Mr. Truman went on to say, and was "as American as the soil we walk on." Anybody who said it was "alien or dangerous" was 160 years behind the times.

The Republicans—and some of Mr. Truman's own Democrats—retorted that he had made demagogic use of the Constitution. They pointed out that the preamble also said that the Republic was being formed to secure for the people the "blessings of liberty"—something, they added, that was being endangered by big government.

What all this comes down to, as some Republican strategists see it, is that no political battlecry

is any good if you have to defend it or stop to explain what it means.

The Republicans are troubled in another respect. They can inveigh against the New Deal and the Fair Deal, but too often they are not prepared with an answer when some Democrat asks them: "Well, just which of these reforms would you repeal? Social security? Federal insurance of bank deposits? The minimum wage law? The securities and exchange act?"

The answer, usually, is that it is not a case of repealing laws that are on the books, but of halting a trend that is carrying the United States closer and closer to state socialism.

There continues to be a sharp difference of opinion in the G.O.P. about future strategy. Some think that the party's best chance lies in a depression. This is repugnant to most Republicans, who remind the others with some vehemence that the country's welfare is far more important than that of a political party. Actually, for a time, Republican propaganda was hitting at the "Truman depression," but this has now been abandoned.

One hears talk, too, that what the Republican Party needs is a Charley Michelson, a hard-hitting ghost writer who can do to President Truman what Michelson himself once did to Herbert Hoover. On reflection, however, this doesn't seem to be a very good idea, either. Truman is not Hoover, neither are the times the same. Aside from ethical considerations, a smear-Truman campaign now would almost certainly be unwise, for the reason that it probably would not go well with the rank and file of Americans.

What then can the Republican Party do?

There probably is no ready formula for victory, but there are a lot of ideas kicking around. One Republican official, who travels about the country a lot and who is neither a mossback nor a me-too type, is convinced that the party's only chance is to get closer to the people. He thinks that too many G.O.P. leaders are aloof.

"They ought to get out of their clubs and into the saloons," he said.

He felt, also, that there was a great need in the party for some leader with an aura of romance, somebody who could stir the people and lay before them the great issues of the day in language that they would understand. Did he have anybody in mind? Well, he said, somebody like Gen. Dwight D. Eisenhower.

He mentioned another need, not a very romantic one but essential just the same. That was money. Republicans are not kicking in as they should. Meantime, their opponents are building up two war chests—that of the regular Democratic Party and that of organized labor.

—EDWARD T. FOLLIARD

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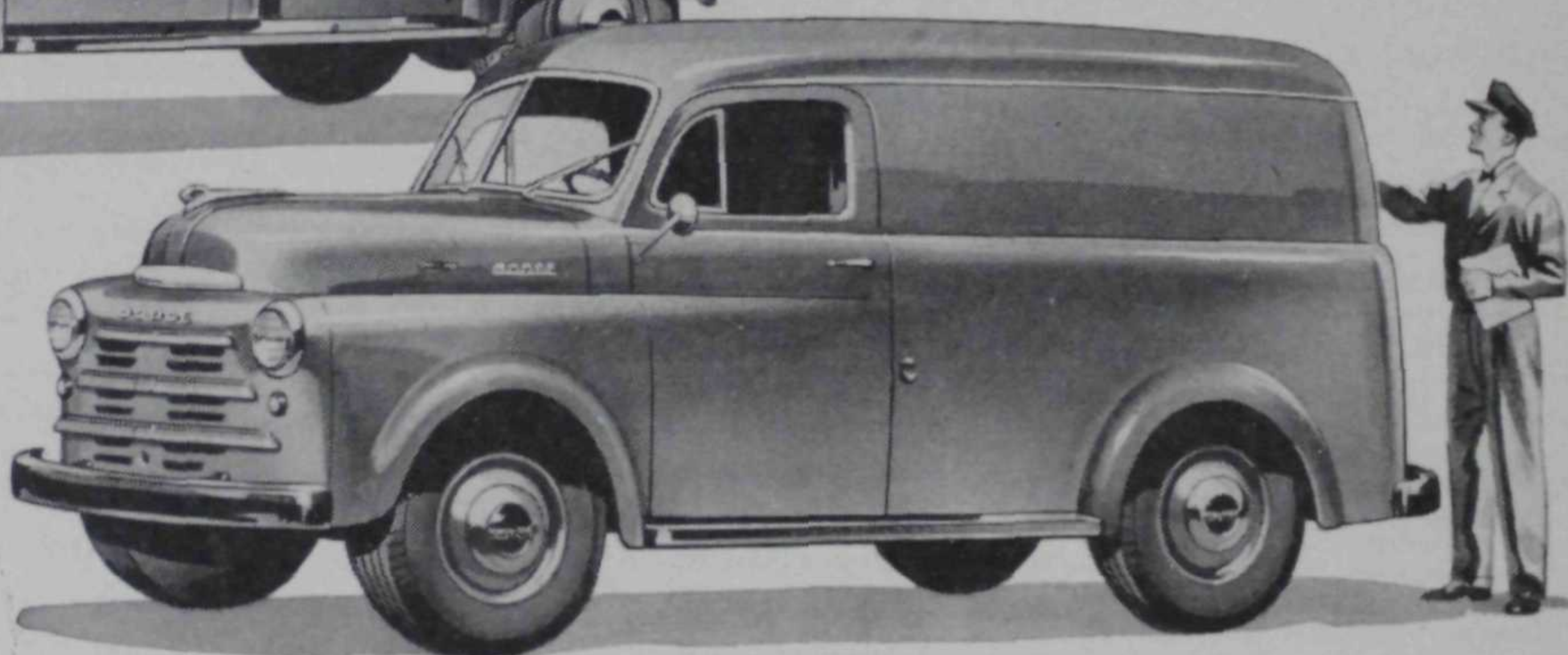
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What RUSSIA'S BOMB Means to Us

By Maj. Gen. HUGH J. KNERR, USAF (Ret'd)

WE HAVE accepted the Russian bomb impassively, but we cannot accept it indifferently. For no living free man can escape its burdens. The President will make onerous requests of the next Congress—higher taxes, greater sacrifice of industrial produce, faster arming of Europe, perhaps a new draft, additional inflationary risks—and to consider such measures we should know the realities.

Reality No. 1 of the Russian bomb is:

that the enigmatic Russian Government, unrestrained by the Christian ethic, will very soon—if it strikes without warning—have the power to deal to the West what may be an irrecoverable blow. Our civilization commits us to the acceptance of any first thrust—to the waging of war only by recovery and counterattack—and no one can now safely predict how rapidly or, indeed, how surely we of the West can recover from an atomic Pearl Harbor.

Reality No. 2:

if and when the Russians decide to strike, they will not strike at western Europe or the Middle Eastern oil fields; they will strike directly at the great port cities of the United States. Of this we may be certain from our knowledge of Russian preparations and from the nature of atomic warfare. The Russians will never risk a military adventure against a lesser nation which will justify our striking the first atomic blow: they won't make the German mistakes; they will strike directly at America.

Reality No. 3:

if and when the Russians decide to strike America, their initial effort will not be through the air as is popularly supposed, but by sea. Russia has an immeasurable atomic advantage in the fact that we have six great port cities *with enclosed harbors* while she has none. All the important Russian cities are far in the interior and must be attacked by air, while we have a Panama Canal and

six great cities—Boston, New York, Baltimore, Norfolk, Seattle and San Francisco—whose enclosed harbors make them the world's most perfect atomic targets and the simplest to attack.

Through the air is the difficult, expensive way to assault a nation with atomic weapons. You must accept losses in both airplanes and precious bombs. You cause immense destruction; but when the bomb is exploded in the air the radioactive cloud is not persistent, it dissipates rather quickly. The ideal way to deliver the bombs is by freighter or submarine, exploded underwater in an enclosed harbor. In this manner you risk loss of neither airplanes nor bombs; you husband a limited stockpile; and the radioactive mist, unlike the air cloud, is persistent—it hangs over the target for days. The "poisoned" water compounds the destruction.

There is no necessity for supposition as to the effect of atomic underwater explosions in our harbors. In the Bikini lagoon we anchored 76 ships over an area of eight square miles—an area comparable to Boston harbor. We exploded one of our early-type bombs. Of the 76 ships, only *nine* survived in such condition that they could be decontaminated. Nine ships were sunk by the explosion, and the remaining 58 defied a two-year effort to decontaminate them and, one by one, had to be towed to sea and sunk as too "poisoned" even to be reclaimed for scrap iron.

The long-awaited Bikini report shows that steel ships, either war or merchant, are the most vulnerable of all targets to atomic attack. The Russians, of course, know this: they had observers at Bikini.

Three bombs exploded in New York harbor would effectively "kill" the harbor and every ship in it. The destruction, the loss of life would be incalculable, depending on surprise, time of day, and wind direction and velocity. And if similar simultaneous attacks were made on the Canal and the other five harbors, we would be deprived of



our six principal ports for much longer than the initial, perhaps the decisive, phase of the war would last—and at a cost to Russia of a score of bombs.

Moreover, the Russians have it within their power to multiply the atomic destruction through the release by fifth columnists of anthrax and other bacteria in the port areas. The Fourth Horseman of Plague would further delay recovery.

Reality No. 4: immediately following the sealing of our ports we can expect Russian bombers and troop transports to reach Pittsburgh, Cleveland, Detroit and Chicago. This would be a secondary and far more expensive effort for the attackers, also intended to retard our recovery.

These are not fanciful suppositions but the logical deductions of qualified experts within our Government. Our Government has no way of knowing whether the Russians *will* launch such an attack against us; it does know, however, that the Russians can shortly have all the means for such a blow.

Much has been written about how the Russians are developing new-type submarines with German assistance. And the general assumption has been that these submarines are being designed for high-seas attack on individual ships in the traditional manner. This is an unwarranted assumption. There is no indication that the Russians ever expect to

GENERAL KNERR is unusually well qualified to discuss defense problems objectively. An Annapolis graduate, he has served in the Navy, Coast Artillery and Air Force. With Billy Mitchell he was an advocate of air power as a primary strategic weapon. In World War II he was with the Strategic Air Forces

stalk convoys in the pattern of the first and second world wars.

Why should any nation ever again send out submarines to torpedo individual ships? Our six ports which the Russians can decommission handled 90 per cent of our seaborne supplies during both wars. These ports are our railheads. What would our thousands of ships be worth if they couldn't enter the harbors of Boston, New York, Baltimore, Norfolk, Seattle or San Francisco? Or if they couldn't use the Panama Canal?

Reality No. 5 is this: our counterattack against Russia should be planned on the assumption that we will have lost indefinitely our six principal ports and the use of most of our ships. Any planning based on the large-scale employment of shipping during the initial phase of a third world war is unrealistic and unsafe.

The Russian bomb has further reduced any contribution which western Europe, even Britain, can make to the combined power of the West. No longer need there be a pretense that a dismembered Germany and a shattered France or Italy can be safeguarded if Russia chooses war.

This is not to say that we should abandon western Europe; or that we won't fight for it; or that we should cancel the Marshall plan; or even that we should cease efforts to help rebuild the continental armies. It is only to recognize a reality of our times. Indeed, prior to the fact of the Russian bomb, no military authority defended arms-for-Europe on any basis other than morale-building or aid-toward-stability.

In an atomic age, with the power of the West depleted by the material and political ravages of two world wars, the counterbalance to Russia cannot be erected on the Rhine; it should be erected on the Mississippi. If Russia is to be deterred from war, the deterrent cannot be western Europe; it can only be America.

So small has the world become that in the planning for a third world war the position of western Europe is comparable to that of Belgium in the planning for the first conflict. Perhaps its people can find some comfort in the fact that it will not even be a decisive theater; that theater will be the skies over Russia or America.

The position of Britain is changed in that no one can now predict how long or how certainly Britain can be safeguarded as a base. During the last war, had Germany's rocket and jet development been advanced a year, Britain would have been made untenable. Britain's ports, by which she lives, are as vulnerable to underwater explosions as our own; and the close-packed island is a pitifully lucrative target for rocket and aerial atomic bursts. Even the traditional fog, an ally the last time, would be an enemy the next, since the fog would tend to hold the atomic cloud closer to the ground and retard its dissipation.

We cannot avoid being apprehensive as to how an unpredictable British government might react under atomic threat. Could some future British government be intimidated into accepting a deal with Russia? Suppose Russia should offer to by-pass Britain in return for the internment of American atomic bombs and bombers? It would be a tempting offer.

This apprehension is what lies behind our objections to any large-scale placing of atomic eggs in the British basket. Prudence requires that Britain be marked: *Preliminary Base Only*.

With Russia holding such advantages, how then can we establish the counterbalance—the foil which must be assembled if the free world is to have hope for peace or victory? If we must receive the first blow, if our ports can be destroyed, if our shipping can be rendered useless, if western Europe cannot be safeguarded, and if Britain can only be a "preliminary base," how can we impose our will-for-peace on the Russian adventurers?

The answer—the only answer we have—is this: intercontinental air warfare based on the American and African continents—the American continent as the strategic base for initial retaliation; the African continent as the tactical base for the building up of air power to support ground operations aimed at ultimate occupation of enemy territory.

Russia may deal us a terrible atomic Pearl Harbor; she may occupy western Europe and neutral-

(Continued on page 60)

The Price of Fixed Prices

By JACK B. WALLACH

IN 45 of these United States many of the trade-marked proprietary drugs, pharmaceuticals, cosmetics, books, cameras, alcoholic beverages, packaged foods, electrical appliances, sporting goods, hardware, photographic supplies and tobacco are price-fixed by their manufacturers through "fair trade contracts" establishing a minimum retail sales price.

Residents of Vermont, Missouri, Texas and the District of Columbia are excepted. These contracts are just as binding by law on dealers who haven't signed as they are on those who have. Under the Miller-Tydings amendment such price-fixing is exempt from the antitrust laws.

This year about four per cent of all our retail trade, some \$5,000,000,000 worth of goods, will be sold under fair trade contracts according to the American Fair Trade Council.

During the war and the immediate postwar years, little attention was paid to fair trade laws. But a return to a buyer's market has raised questions as to whether price maintenance is strangling competition, retarding sales, penalizing brand-name products and generally harming the public interest.

Before the issue is settled, it promises to produce a lively controversy.

Today fair trade is under attack in the market place and in the political forum. For the first time these laws have become a public as well as a trade issue.

Efforts to repeal the Miller-Tydings amendment and thus bring fair trade contracts within the purview of the antitrust laws may be made when Congress reconvenes.

The National Retail Druggists Association has warned its membership that they must "prepare for tough battles in the legislatures of many states and in Congress" if they wish to preserve fair trade. Proponents of these laws already have raised funds and made plans for a publicity campaign to win popular support for the cause.

Maurice Mermey, director of the

FIXED prices for branded articles won acceptance during the depression '30's but now public demand for lower prices gives them their hardest fight



Bureau of Education on Fair Trade, stated recently:

"A total of \$300,000 will be spent on public education on fair trade by the Bureau during the next three years. More than 5,000 retail druggists in all parts of the country have so far volunteered to participate in the educational functions of the Bureau."

One of the things that alerted the fair trade camp was a ruling by the Illinois Supreme Court which held a mandatory fair trade liquor act of that state invalid on technical grounds. A similar case is awaiting action by the New York State Court of Appeals.

Another thing that disturbs the fair trade group is the growing sentiment that fair trade is a device being used by manufacturers to maintain high profits. This sentiment was echoed by Nicholas S. Gesoalde, executive secretary of the New York State Pharmaceutical Association.

In reporting on the increased profits that leading drug manufacturers showed in the early part of 1949, Gesoalde told his Association's executive committee that "the drug manufacturers should

lower their prices and therefore pass on a part of their profit to the consumer."

Commenting on the fact that the 13 leading drug manufacturers had reported an aggregate rise in profit of 8.3 per cent, he said: "With the inflationary period over, and the cost of such consumer essentials as food, clothing and shelter being reduced, there is no reason why the important consumer item, drugs, shouldn't be reduced in proportion, too."

Already there is considerable evidence that the cause of fair trade is taking some beating along Main Street. To gather material for this article, I shopped fair-traded items and found side street "discount houses" flourishing again in many of the larger cities. They are well stocked with leading fair trade brands of electrical appliances ranging from refrigerators to hair dryers. When the dealers didn't have the particular article I wanted, they promised "to get it in a day."

Transparent subterfuges are used to mask price cutting. Stores invite you to trade in anything. No matter what its age, condition or

value, it suffices to entitle you to an allowance. A worn-out pair of overalls is good for \$5 on a brand-name suit and a burned-out toaster the same on a new one.

Others have found similar conditions. Recently the *Wall Street Journal* reported:

"A New York City chain advertises sweeping reductions in television sets. This brings out into the open a practice that has been going on behind the scenes. Merchants have been price cutting but they usually have not specified the makes in their ads."

Fair trade was flouted when the Goodall Company let the news leak out that its Palm Beach suits would be reduced sharply in price on July 11. Press wires carried the story and the "secret" was out some ten days before the cut was to become effective. Stores in city after city, realizing the futility of freezing their stocks, jumped the gun and made the lower prices effective at once.

Goodall, at last account, was not contemplating action under fair trade laws. One reason could be that retailers could designate their price cutting as close-outs and drop the Palm Beach line. Another reason could be because Goodall aroused the collective ire of hundreds of merchants and drew a stinging rebuke from the National Retail Dry Goods Association.

In a statement issued on the incident, the N.R.D.G.A. said: "The results of this inept decision really constitute a black eye for the cause of the fair trade laws which make it possible for executive mistakes to involve so many others in the losses they bring about. And it comes at a time when the critical attitude of so many toward these laws makes it a policy error of the first magnitude for any outstanding branded line to become careless of its trade relations."

Some retailers have found price reductions more effective than brand names in moving goods. Ohrbach's and Klein's, New York's big bargain apparel stores, handle branded lines without labels. They sell them at prices that beggar fair trade tickets. They are within fair trade law in so doing. In upholding the fair trade laws of California, the United States Supreme Court ruled that removal of mark or brand is not unlawful if the good will of the owners of the trademark or brand is not an aid to the sale.

But it's not just removal of labels. Large department store groups are developing private brands at a
(Continued on page 68)



Black-listing may bring a manufacturer to terms

Reminder: Latinos Are People, Too

By TEMPLE FIELDING

WE SPEAK about South America as one big family. Yet, each country's people have their own personality

ASK Charlie Smith, plastics manufacturer of Middletown, U.S.A., his concept of South America, and you'll have your answer right on the line. He might not have been there, but his reactions are positive.

Here is a continent, he will tell you, of jungles, mountains, deserts, and four-hour siestas. It is inhabited by Indians, peons, gauchos, dark-eyed señoritas and the laziest, slickest, stubbornest business men in the Western Hemisphere.

"Even sent young Johnson, my junior vice president, down there after the war," he says. "Wanted to set up a couple of branch factories, but he couldn't get to first base. The fellows in those banana countries are all alike—same temperament, same *manana*, same lack of that good old American git-up-and-git."

Smith might not know that he has lost the potentially richest foreign market in the world. Johnson might not know that an elementary study of Latin psychology could have brought him the biggest bonus of his career. For South America is on the march. Into its hungry maw is being poured a potpourri of bulldozers, textiles, bottling plants, cigarette lighters, stainless steel moldings, Mickey Mouse toys—the gamut of industry.

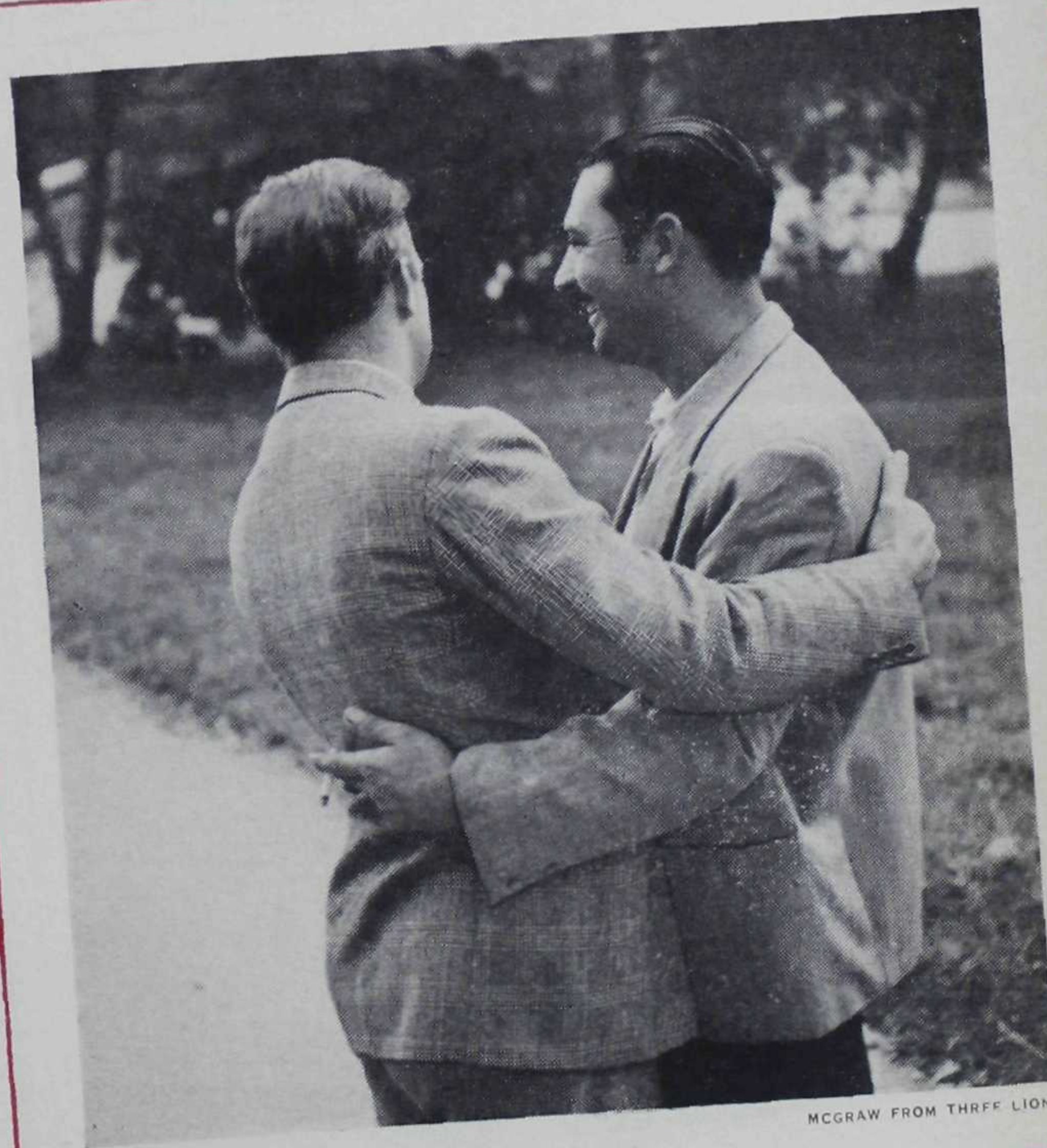
New York's Intercontinental Hotel Corporation is supervising an \$80,000,000 program in plush tourist havens; oil companies, canners, automobile manufacturers, and other established interests have kicked budgets sky high to prepare for the day when dollars are cheaper. From Caracas to Tierra del Fuego, there are portents of the greatest boom since Crellana's search for the Gilded Man. As the roads and airfields go in, as unlocked billions in natural wealth flow to the sea, as skyrocketing standards of living tap a market of 68,000,000 new

NATION'S BUSINESS for December, 1949



INSTITUTE OF INTER-AMERICAN AFFAIRS

Get to know the country, its people



MCGRAW FROM THREE LIONS

Hugs are as normal as shaking hands



FENNO JACOBS FROM THREE LIONS

Formality is the keynote of Latin dress



JULES BUCHER FROM THREE LIONS

Flattery from the male is expected

customers, who in the North will reap the benefits?

Certainly not those whose god is the American Way. This writer visited recently 24 capitals south of the border; conferences were held with bankers, industrialists, officials in all reaches of commerce. From the tangled skein of comment emerged one biting conclusion: Until the Yanqui can forget he's a Yanqui and can show respect and understanding for the traditions of others, he'll continue to be the most unpopular citizen in the hemisphere.

First plaint is our tendency to lump two dozen cultures into a single block. The Frenchman, Swede, Swiss or Russian might vaguely personify his country, but there is no such thing as a typical Latin American. Add 100 times the differences among a Vermont hardware dealer, a Mississippi Bible salesman and a Seventh Avenue dress manufacturer to chauvinism, hypersensitivity, and a consuming sense of individuality—and you're only beginning to touch a few basic qualities. The cleavage is so marked that countries, provinces—even single cities—become their own little worlds.

Brazil's São Paulo and Rio de Janeiro might be closer in miles than Dallas and El Paso, but their living habits are in complete contrast. The *paulista* of São Paulo—where one brand-new building is completed every seven or eight minutes of each working day—is a bustling, aggressive, hard-hitting sales type who thrives on high pressure and likes snap decisions. If he can spare a moment to buy you a cup of coffee—free time is a disgrace—you will probably drink it on your feet, because sitdown cafés have been tacitly banned in his production-belt civilization.

RIO'S *carioca*, on the other hand, has been double-crossed by the bounties of nature. The sun is so healing and the air so balmy that he can't worry for long about anything. He will go to the beach full of firm resolutions for a ten-minute dip—and four hours later be straining each nerve in a futile tussle with his conscience. A wide-open day is the hallmark of the executive; if he can't find time to invite you to the nearest coffee house, he's humiliated.

You can talk straight business to the *paulista*—a major departure from continent-wide tradition—but to open an interview with a *carioca* you must always break the ice with ten to 20 minutes of chit-chat. Favorite topics of discussion, in order of preference, are 1, blondes, 2, women, 3, women, 4, women, 5, gambling, and 6, football. Unacquainted strangers usually rely heavily on sports. Cynics offer this advice: If a *carioca's* team wins on Saturday, he's a soft touch for an order until the next Wednesday. But if his team should lose, postpone your visit for at least seven days.

On a broader level, Brazilians can boast of strong national traits. They are warmhearted, gay and gallant, volatile and eloquent, sharing a rich wit. Outside São Paulo, the rest of Brazil continues to sail stoutly on its time-honored economic course.

Uruguay is diametrically opposite. It is a gold standard nation in both money and character. The cautious approach and the two per cent return are the fattest turkeys in the business man's roost. Venture capital scarcely exists. The people are stable, somber, with a political regime so incorruptible that for more than one year approximately 70 new automobiles purchased in the States by optimists with "close friends in customs" have been rotting away on the Montevideo docks.

A refreshing naïveté occurs on all levels of society; most natives can't wait to ask the newcomer, "How

do you like our wonderful little country? Aren't we nicer here than in any land you've ever seen?" A competitor, associate or fellow-tradesman is never a crook, a cheat, a friend or a saint; he is "a good colleague" or "a bad colleague," depending upon his Monday-to-Friday conduct. So conservative and closely knit is this little republic that not one North American business man has succeeded in setting up his own independent operation.

THE Chilean is dignified, conscious of his heritage, an epicure and a sophisticate, a man who might keep you waiting 30 minutes just to impress you. He is a heavy wine drinker, and a more aggressive commercial go-getter than his neighbors in warmer climates to the north. The commodity known in Yanqui circles as the Old Salve can make a great hit with him, especially when it implies that the visitor is three-quarters mesmerised by the exalted professional station of the host.

The *guayaquileo* of Ecuador is noted for doing his daylight business in the lobby of the Metropolitano Hotel and his after-dark business along the Malecon promenade. Offices seem to give him claustrophobia, and most of the cockroach-infested local cafés give gringos the horrors. The legendary Mr. Aboab's sparkling little hostelry and the star-studded waterfront seem to be the solution to his problem. He might not be as well-educated as some of the Latin peoples, but his intense earnestness more than balances any deficit.

The Colombian's office is also no man's land, a neutral spot maintained for the hanging of hats. It is almost unthinkable to discuss commercial matters in any surroundings but the coffee house. Separate cafés are maintained for wholesalers, bankers, importers, poets, students, brokers, and many other categories. So important is this institution that some of the biggest industrialists pay no rent but their restaurant checks.

The native of this rugged, mountainous land leans more heavily on air travel and air freight than practically anyone but the Bolivian. Recently, when a National City Bank executive moved his household effects from Bogotá to the thriving little city of Cali, he chartered a DC-4 for the operation, saving himself \$300 in cash, two weeks in time, and the specter of 50 per cent breakage. The fact that no eyebrows were raised demonstrates an attitude which should be significant to U. S. shippers.

Quick, sharp humor is another characteristic of the Colombian. He is ready with a wisecrack for all human events, comic or tragic.

The Venezuelan, dazzled by the cheapest dollar and the highest cost of living on the globe, is a hard nut for many commercial travelers to crack. Often he is not overfond of the Yankee; like most citizens who strike oil and skyrocket from modest circumstances to fabulous riches, he's not quite sure of himself or of his suddenly acquired power.

The red tape of the earlier, more pedestrian economy persists, particularly in government agencies. It is almost impossible to ship merchandise across the border without running into complications, because the sight draft exists only in wistful theory, and the customs sheds are honeycombed with some of the stickiest palms in Latin America.

The Argentine, coldly functional in his dealings, is criticised by his neighbors for showing the superiority complex of which Uncle Sam is so often accused. He is formal, reserved, and meticulously correct with strangers; his character shows little

(Continued on page 64)



EWING GALLOWAY

The Latino's standard of living is rising



FENNO JACOBS FROM THREE LIO

Quaint no longer describes Latin America



BILL ROSECRANS, a life-long conservationist, has helped the Golden State develop a timber program second to none in the country. Many officials and lumbermen in other states are watching with interest

MC CURRY

FORESTS GET OUT OF THE WOODS

By ANDREW HAMILTON

FIVE YEARS ago a committee of the California legislature reported "the forest situation is so grave that it can no longer be swept under the carpet."

Today, the Golden State has emerged as an example of what a group of state officials and enlightened business men can do if the proper "grass roots" leadership is provided.

Before 1944, California's 32,000,000 acres of forest lands protected by the State were plagued with fire; today, the curve is turning downward. Five years ago insects and tree diseases rampaged through the Sierra pines and Coast Range firs; at present, control measures keep them in check. Then, old-fashioned logging and sawmill practices wasted thousands of board feet of timber; now, lumbermen are seeking ways to use every part of the tree.

"We've even got California's \$230,000,000 lumber industry talking about trees as a crop," says W. S. ("Bill") Rosecrans, husky, middle-aged rancher, banker and oilman, who is chairman of the California State Board of Forestry. "That's half the battle won right there!"

A score of individuals have contributed to the development of California's new forestry program. But Rosecrans is the spark-plug and "idea man" of the outfit. Key to his success is the ability to get people with divergent points of view—lumbermen, business men, forest rangers and scientists—to talk out their differences and to agree upon a middle course.

Take for example the first meeting of the State Board of Forestry

THE town meeting approach has spelled success for California's tree farmers

with timber owners and operators on Dec. 1, 1944, in San Francisco. It was a closed session at which Rosecrans outlined plans for a new forestry program. After he'd finished there was a long silence.

Then up rose an operator from the South Sierra region, who said sarcastically:

"I've been in the lumber business for 29 years. This is the first time I have ever been *honored* by being invited to attend a meeting

challenged another lumberman.

"We have no laws—yet," Rosecrans said pleasantly. "Today we are talking about ideas. When we agree we are going to ask you fellows to help us draft the laws."

"You're asking *us* to draft laws to interfere with *our* business? Why, we've been organized for 30 years to prevent just that."

The discussion continued. As old suspicions were broken down, the lumbermen agreed to go along with

Rosecrans on a "well-let's-try-it" basis. In the end, the California Forest Protective Association pledged not only to help write the laws but to sponsor them in the California legislature.

Not long ago an important timber operator confessed to Rosecrans:

"Bill, if you'd told me five years ago that we would accept your plans, I would have said you were crazy or a liar!"

Bill Rosecrans is the grandson of Gen. William Starke Rosecrans of Civil War fame. Shortly after completing his education in the classics and languages at Loyola University, he rode his horse along the banks of the San Gabriel River and saw spring flood waters cover-

ing hundreds of square miles of southern California farm lands.

This began a lifelong interest in forest and watershed management—an interest expressed through membership in chambers of commerce, farm organizations,



MC CURRY

Fire tools are cached in operating areas

of any State Board of Forestry."

Rosecrans smiled. "This board has been in office only six months. Don't hold us responsible for what has happened in the first 28½ years."

"What are your proposed laws?"

conservation groups. He serves as a trustee of two colleges and as a patron of the Greater Los Angeles Opera Association. At the end of World War II, he became president of the Southern California Council for Inter-American Affairs, brushed up on his Spanish and traveled 20,000 miles on a goodwill tour of Latin America.

A friend once asked:

"Bill, how come you've been mixed up in so many of these things?"

Rosecrans thought for a moment and then said:

"When I was still a young man, oil was discovered on our ranch. I saw there were three roads I could follow—put my nose to the grindstone and make a lot more money, shuck all responsibilities and become a playboy, or work on some of the community problems that others, perhaps, didn't have time to do. I chose the last."

It was only natural, therefore, that when the American Forestry Association in 1940 looked around for a new president it should pick him. The selection was unique in the fact that he was the first westerner ever chosen for the job.

One example of Rosecrans' tenacity in battling for his principles:

Early in the war he learned that an "emergency" proclamation to put all private forest lands under federal control had reached President Roosevelt's desk. He was able to help persuade the President that the measure was unnecessary and it was never signed.

In 1943, Gov. Earl Warren telephoned Rosecrans.

"As head of the American Forestry Association, you've been saying that the states—rather than the federal Government—should take on the responsibility and leadership for managing their forests?"

"Right."

"Well, how would you like to do something about it here in California?"

"Certainly!"

As chairman, Rosecrans helped the governor appoint the rest of the seven-man State Board of Forestry. They determine the broad policies which the rangers and technicians of the State Division of Forestry carry out.

Three board members represent the timber industry: Kenneth Walker, a third-generation pine forest man; Frank Reynolds, a redwood operator; and Wendel Robie, a retail lumber yard owner.

Three members represent agriculture: Domingo Hardison, a citrus grower; J. J. Pendergast, an hydraulic engineer; and A. L. Spencer, a rancher and former president of the Wool Growers Association. Rosecrans represents the public at large.

The board meets at the state capitol in Sacramento, in community club houses, schools, courtrooms—anywhere. Work pants and cowboy boots mingle freely with correctly tailored suits. Off come coats, pipes are lighted, and discussion begins at about the level of the old-fashioned New England town meeting—a friendly give-and-take between the board members, lumbermen, cattlemen and farmers.

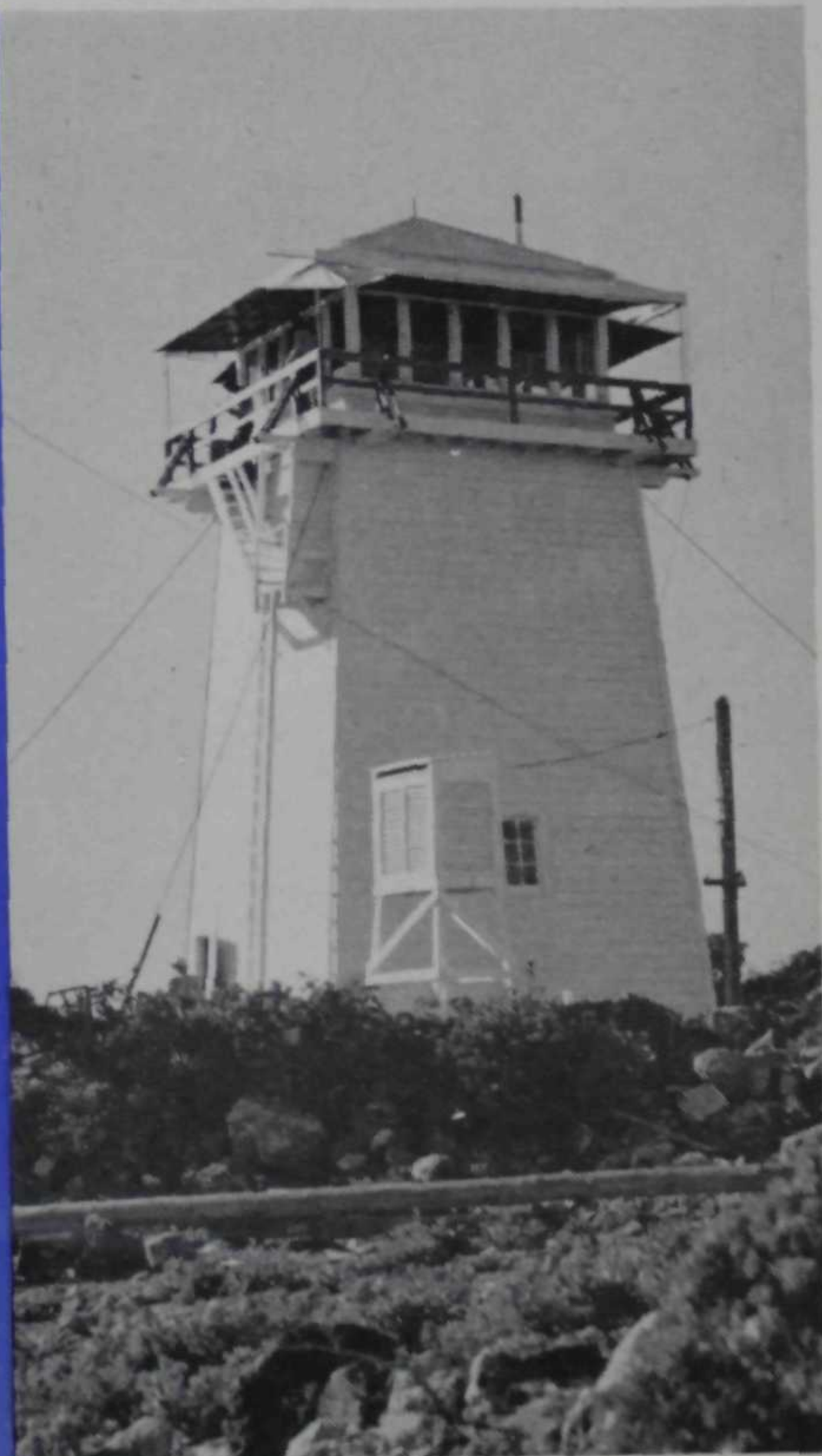
To carry out policies made cooperatively by the board and the timbermen, Governor Warren chose Gen. Warren T. Hannum, retired Army engineer, as director of the Department of Natural Resources. DeWitt ("Swede") Nelson, for 19 years a member of the U. S. Forest Service, was appointed state forester.

Since 1945, Rosecrans, Hannum and Nelson have teamed up with Governor Warren and the legisla-

(Continued on page 74)



Before 1944, California's 32,000,000 acres of forest lands were plagued with fire; today, the peril is lessening



A lookout tower also serves as a base for a radio repeater set



CHRIS WARE—KEYSTONE

Britain Pays Through the Teeth

By DR. HAROLD HILLENBRAND *As told to Peter Lisagor*

I RECENTLY returned from a visit to England, where I talked with Aneurin ("Nye") Bevan, British Minister of Health, with representatives of the organized dental profession and with successful practitioners who, for one reason or another, have not entered the National Health Service. I am aware of the opprobrium attached to the so-called "seven-day expert," as well as to the professional man who attempts to set up shop as a "social commentator."

My views are those of a professional dentist interested in the extension of dental care by practical means, and they are rooted in a continuing study of the British problem for at least a decade before the inclusive 1946 National Health Act. It is part of my job as secretary of the American Dental Association to know the history and past results of attempts at socialized dentistry. Moreover, I was for 15 years a practicing dentist in Chicago and have a passing knowledge of chairside problems.

It is against this general background that I view the British scheme and feel justified in arriving at certain broad conclusions:

The principle of better dental health for all in England as elsewhere is a commendable *ideal*. But the methods in Britain at present are unworkable. They are unrealistic. They are dooming the British

ENGLAND'S socialized dental program was a fine idea — on paper, says an American who went there to see

people to vast disappointment. And they will surely lead England to bankruptcy in dental health if she persists in her present program.

From the standpoint of dental resources, Britain today has some 10,000 dentists who are expected to provide total dental care for her 43,000,000 citizens. It makes total care almost a mathematical impossibility. It means there is one dentist for every 4,000 patients, as compared to one for every 1,700 in the United States. Consider further that, of the 10,000 British dentists, 3,000 are the so-called 1921 dentists. They were licensed by law in that year even though they had little dental training of any kind.

Because of this shortage, Britain has spread her limited dental population so thin that it can do nothing but face the unending treatment of adults at the expense of the young. Thus economically,

socially, and perhaps philosophically, the British have put the cart before the horse. The first element of a sound dental program is to take care of the young age groups where dental diseases can best be prevented and controlled. Care for them and you cut down on adult needs later. You also cut down on costs since preventive dentistry is, of course, less costly in the long run.

It is true that the National Health Act was supposed to continue previous priority arrangements for expectant and nursing mothers and for pre-school children. But in fact, those priorities have been lost in a jungle of adult demand, complicated by a breakdown in the priority service that existed before the Act.

A few figures will bear startling witness to this statement. Long before the 1946 Act, Britain had a school dental program under the direction of the Ministry of Education. That service, according to qualified estimates, required about 3,000 dentists. At present, however, it has less than 700! Many of these are abandoning the program because their salaries in the school system were pitifully small compared to what they may earn in the national service or in private practice.

Now take a look at the adult end of the picture. A sound adult program would emphasize relief of pain, removal of infection and restoration of function in that order.

But here again Britain has reversed the order!

A British study made several years ago showed that—of 10,000 dental cases—62 per cent required

dentures and 35 per cent required the extraction of all teeth!

Projected throughout the population, this study means that one third of the adult population of England requires all teeth replaced—something unthinkable in the United States, for example.

Dentures, of course, represent years of neglect. They are the end of the line, from a dental point of view. The sad state of the collective British mouth, reflected by the denture needs, points up another imposing obstacle to comprehensive care with limited resources, that is, the negligible amount of dental research.

The British have failed to utilize some preventive and control measures made available in the past decade through research. For example, here in the United States, the topical application of sodium fluoride is widespread as a caries-preventive measure; it is not being used widely in Britain. The fluorination of public water supplies and the use of ammoniated dentifrices as yet have had little acceptance in Britain.

These failures, plus the concentration of available dentists on adults, lead to the easy prediction that over-all national dental health will show no signs of improvement in the predictable future, that British children are being condemned to the same sad dental conditions which have afflicted their parents for generations, and that no real contribution is being made to the improvement of national health in general through improved dental health.

Despite these documented difficulties, the British have cut down dental production because of the unanticipated high costs of the program. With a profession seriously undermanned, with a government promising free dental care to all its people, and with a serious problem in dental health, it simply does not make sense to restrict the output of dental care.

Yet, that is what the British program is doing.

To understand this development, a brief background will help. The dental service, unlike the medical service in Britain, is based on a fee-for-service principle rather than on a per capita basis. Each operation has a specified fee—\$4 for an amalgam filling involving one surface, \$2 for an extraction of one or two teeth.

This fee schedule was worked out by a committee headed by Sir Will Spens and an effort was made to relate the charge for each operation to the time required to perform it and to a desirable level of income for the dentist.

The Spens report made several significant points:

1. That 75 per cent of the dental practitioners were found to have incomes less than 1,000 pounds a year, showing, in the words of the report, "that very few dentists make large incomes; that most dentists are making net incomes of less than enough to meet minimum middle-class expenditures, and that a quarter of the profession of necessity live below this standard."

2. That the practice of dentistry is extremely arduous.

3. That 33 hours a week for 46 weeks a year was all a dentist could be expected to work by the chair-side without loss of efficiency.

4. That recruitment for the dental profession has been unsatisfactory and that dentistry should be made more attractive.

(Continued on page 62)



KEYSTONE PICTURES

The school dental program is handled by less than 700 dentists, compared to 3,000 before 1946



HARRIS & EWING

ONE of America's top executives, now a federal mediator, tells why management often finds itself outmaneuvered when it negotiates with labor

director of the Federal Mediation and Conciliation Service—and much of a lifetime devoted to labor relations for management—I am still amazed by the indifference many employers show in collective bargaining practice.

Based on the experiences of the conciliation staff and myself, it's my opinion that at least half of the collective bargaining deadlocks that occur could be avoided if management selected its negotiators more wisely, better equipped them for the job to be done.

It is understandable, though not always excusable, why manage-

Good Bargaining Is Good Business

By **CYRUS S. CHING** with *Sam Stavisky*

A REGIONAL representative of the Federal Mediation and Conciliation Service was called in recently when negotiations broke down between a metals industry firm and its union over a new contract. The negotiators had met several weeks, but made little progress. Tempers were hot, and a strike appeared to be in the making. Neither side wanted a strike.

The Federal conciliator got discussions going again and succeeded in bringing about a peaceful solution. His report to us revealed that the breakdown in negotiations could have been avoided had management come to the discussions prepared to bargain.

We've found that one of the prime faults of management is that all too often it is poorly represented when collective bargaining begins. The metals industry firm

was represented by two minor officials and an attorney. The conciliator discovered that, between them, the company representatives demonstrated the eight most common mistakes of management in bargaining. These errors are:

1. Unwillingness or reluctance to bargain collectively.
2. Haphazard selection of lawyers as negotiators.
3. Lack of experience.
4. Use of minor officials.
5. Lack of leadership.
6. Lack of confidence in the union and lack of understanding of its problems.
7. Lack of vital information.
8. Too much emotionalism.

After more than two years as

ment makes mistakes at the bargaining table. Collective bargaining is a relatively new experience for many. Twenty years ago this country had fewer than 4,000,000 organized workers; today there are more than 15,000,000 unionists. There are more than 100,000 agreements between management and labor. The training of skilled management negotiators has not kept pace with the growth of collective bargaining.

Management can improve its bargaining technique in many ways. It can find it easier to reach an agreement with workers, and at the same time improve its position at the bargaining table. In the long run, it means better relations all

(Continued on page 76)

Uncle Smilie's Miracle

By EVERETT RHODES CASTLE

UNTIL he picked up that telephone receiver in Bill Oakes' filling station around about 8:15 that Friday night late in November, nobody, outside of Pendroville, ever heard of Uncle Smilie Broadbent.

Uncle Smilie just said hello in that high-pitched, half-strangled quaver of his and the 73 years he spent being nobody and amounting to nothing were over forever. In one minute he was a bigger man than Preston Sibble, who was president of the Pendroville Savings & Loan; Alexander Carter who owned the Carter Mill & Supply Company, and Burt Powers who was the local manager of the dime store and the spark plug, as they say, of the Pendroville Chamber of Commerce.

Yes, he was even a bigger man than Abbie Ruth Houghton and Abbie, with all her money, hardly took a back seat for anybody in Pendroville, even God. Not that Abbie, for all her parking area, took it sitting down. But when the week after Christmas came and Uncle Smilie's picture, smoking a stub of stogie and sitting on an empty five gallon oil can, started appearing in papers all over the country Abbie knew it wasn't any use going on talking about cheap publicity and unfortunate notoriety.

Not when a scholarly New York paper came right out in print and said that Uncle Smilie and his moth-eaten, imitation sealskin cap deserved to take his place along side of Tiny Tim as an immortal symbol of the spirit of Christmas. Not when a national magazine named him the Man of the Year and ran his picture in color on the front cover.

Abbie was no fool.

But there were some people right up to Christmas



Before Uncle Smilie could get the

Eve who couldn't forget all the years Uncle Smilie had spent amounting to nothing. They kept remembering the way he hung around Rice's Livery Stable for 20 years, only doing enough work now and then to keep himself in tobacco and liquor. Not that Uncle Smilie was what you would call a drunkard. No matter what he had aboard he went around amounting to nothing without bothering anybody with the same apologetic little smile and the same little twinkle in his faded blue eyes as if he was stone sober.

Proud, too, he was. Wouldn't be uplifted for nobody. He just avoided good works the way he slid away from any kind of work. A lot of folks didn't



ear back to the garage the crowd opened up with "Silent Night, Holy Night"

think he had all his buttons. That was partly because of the way he spent a lot of time talking to Grover Cleveland. Grover Cleveland was an old black and yellow collie he picked up somewhere just after Bill Oakes let him take to sleeping in the back of the garage he ran behind his filling station. Of course, his having a screw loose didn't bother the kids around Pendroville. Uncle Smilie attracted kids the way a one cent sale brought people down to Miner's drugstore. Most of them never knew Uncle Smilie was a shiftless bad example until they got told about it at home.

But the thing folks mostly talked about right up to Christmas Eve was the highly accidental manner

Uncle Smilie became what you might call a national institution.

It came about this way. On this Friday night in November, Uncle Smilie is taking care of the filling station for Bill Oakes the way he did once in a while. There is a nip in the air and Uncle Smilie is sitting inside.

About 8:15 the telephone rings.

"Hello!" says Uncle Smilie.

"To whom am I talking?" says one of these chirpy voices that spills over with good fellowship and the joy of living.

"Bill ain't here," Uncle Smilie tells him.

"Lucky, lucky you," says the happy man on the



Carols Capital of America

ST. LOUIS has become the "Carols Capital of America" through an unusual community demonstration of the Christmas spirit which has grown to national proportions.

Each year, under the auspices of the St. Louis Christmas Carols Association, more than 40,000 carolers tramp the streets of every city block singing Yuletide carols. The singers range in age from five-year-old youngsters to septuagenarian business leaders.

Started as a lark in 1911 by a group nostalgic for the "old-time Christmas," the annual caroling became a formal event partly by accident. The initial group of adults and children was embarrassed to find that strangers before whose homes they serenaded expressed their appreciation by showers of coins. By the conclusion of their rounds, the pioneer carolers had nearly \$50 which they contributed to children's charitable organizations.

Voluntary contributions to the 2,500 caroling groups now average \$25,000 annually. The money is distributed to 40 institutions caring for handicapped and underprivileged children.

Nonsectarian and community-wide in scope, the association is headed by William H. Danforth, board chairman of Ralston-Purina Company. Its directors include bankers, business executives, lawyers, school officials, as well as housewives and ministers.

The traditional annual kickoff for the caroling season occurs in the St. Louis mayor's

office when a group of school children, wearing red and white capes and carrying lighted candles, bring "tidings of joy" to His Honor.

The week before Christmas, groups of children and adults visit the city's hospitals, old folks' homes, hotels, railway stations, public buildings, and restaurants to bring musical greetings. From dusk on Christmas Eve till nearly midnight, carolers serenade the city with seasonal songs.

Under St. Louis leadership, a National Christmas Carols Association was formed recently with Baltimore, Md., and San Antonio, Tex., among new cities launching programs of their own.

Caroling units are organized by churches, schools, clubs and neighborhood organizations of all denominations. The association supplies song books, capes, and collection cans. Only members of the temporary office staff which assigns routes and handles the funds collected receive pay for their services.

Incidents are varied and often amusing. One Christmas Eve a group halted before a lighted window and began to sing. Promptly a woman dashed out holding a finger to her lips and making shushing sounds. She thrust a \$5 bill into the collection can and begged the carolers to leave quietly. "I have a sick daughter," she whispered, "and she can't be disturbed. But I didn't want to miss my chance to present a gift. Please be sure to call—and sing—next year."

—BERNARD K. SCHRAM

other end. "Whoever answers the telephone on Telephone Treasure Trove gets a chance at the big jackpot which tonight amounts to more than \$35,000 in dazzling prizes."

"He went to the pictures," Uncle Smilie goes on.

Finally the merry-andrew on the other end gets it over to Uncle Smilie that he is misunderstanding from coast-to-coast and that Uncle Smilie is standing on the brink of winning a six-room house complete with furniture, a \$7,000 mink coat, a new automobile, \$2,000 in cash, a two weeks' trip to Sun Valley out in Idaho, a television set, a \$500 genuine Sweetheart diamond complete with ring, a four-passenger airplane, a deep freezer, a silver fox cape, 60 pairs of nylon stockings, a dozen suits of clothes styled by Fastic of Fifth Avenue, a 60 piece set of sterling silver and about 50 other worthwhile prizes too numerous to mention.

"ALL you have to do, Mr. Broadbent," the happy, happy announcer goes on, "is to tell us who wrote the following lines of poetry. Are you ready for your big moment, Mr. Broadbent?"

"What poetry?" Uncle Smilie asks him.

"You just listen carefully," the announcer chuckles delightedly. "Here it comes, Mr. Broadbent. Just tell us who wrote these simple but beautiful lines:

*Then felt I like some watcher of
the skies
When a new planet swims into
his ken;
Or like stout Cortez when with
eagle eyes
He stared at the Pacific and all
his men
Look'd at each other with a wild
surmise
Silent upon a peak in Darien.*

Uncle Smilie said nothing.

"Well, what do you say, Mr. Broadbent?"

Uncle Smilie still said nothing. It didn't sound good coast-to-coast. The announcer began to coax him. "Who do you say, Mr. Broadbent? Do you know? Do you?"

Uncle Smilie still said nothing. "Make a guess," the announcer implores him. "Name a poet. Any poet!"

But Uncle Smilie says nothing. "Are you there, Mr. Broadbent?" the voice screams at him in desperation. "Say something! Say anything!"

Across the road from the filling
(Continued on page 72)



Good Medicine That Comes in Small Doses

By HARLAND MANCHESTER

DISEASES that have baffled science for years are yielding before a new chemical weapon—the trace element

THERE is a small valley area near Mt. Chocorua in central New Hampshire where, until a few years ago, it was hard to raise good cattle. Feed wouldn't stick to their ribs, their coats got rough, their eyes became sunken, they wobbled around and eventually fell down and died.

The story was that a curse had been laid on the valley cattle back in the days when England owned the land. Whether the tough-minded Yankee farmers really believed the yarn no one can say, but every time a heifer wilted and died, someone retold the ancient legend. Old Chief Chocorua, hailed as a prophet by his tribe, laid the curse as an act of revenge. His cherished son, while visiting a white family, ate something poisonous, and returned to the chief's wigwam to die. Accusing the family of murder, Chocorua went on the warpath and slew the women and children. A posse pursued him to the top of the mountain which now bears his name and filled him full of lead. As he lay dying, he incanted a curse on valley settlers and their stock.

Years rolled by, cattle collapsed regularly, and generations of tourists reveled in the tale. One of these, a Harvard geologist, later visited the government agricultural experiment station at Beltsville, Md., where he told the story to W. O. Robinson, senior chemist in the Bureau of Plant Industry, Soils and Agricultural Engineering. Robinson is an authority on the effects on plant and animal life of so-called "trace elements" in the soil, which often play a role in agriculture roughly comparable to that of vitamins in the human organism. He suspected at once that something was the matter with the soil that fed the forage these cattle ate. He obtained verification of the story from the New Hampshire Experiment Station, and procured soil and vegetation samples which were analyzed for their mineral content. The soil was ground to fine powder and burned to destroy organic matter, and the residue was treated chemically to detect the presence—or absence—of various elementary components. Meanwhile Dr. G. P. Percival of the New Hampshire station succeeded in curing some of the sick cattle by adding cobalt to their feed.

As a result of the investigations it was found that the soil was largely composed of coarse granite residue from glacial deposits, and that the valley was indeed cursed—not by old Chocorua, but by a lack of cobalt which is essential in eye-dropper quantities to the health of ruminant animals like cattle and sheep. This discovery was



made in 1940. The curse worked for nearly two centuries; now it has been lifted by adding a bit of cobalt to the commercial fertilizer, or, since it does the plants themselves no good, by feeding it directly to the cattle. Less than one part per million in the feed is plenty.

This is only one of many recent applications in agriculture of the new knowledge of trace elements, which has been taken seriously for less than two decades. Since commercial fertilizers began to supplement, and in many cases to supplant farm manures, most fertilizer manufacturers as well as farmers have placed primary emphasis on the nitrogen, phosphorus and potassium—the “big three” of which the “superphosphates” are mainly composed. The need of certain “carriers,” like calcium, sulphur, chlorine and sodium, also has been recognized, but until recently, there the matter ended.

Previous to 1900, Gabriel Bertrand of France discovered the need of plants and animals for certain minor elements, and pointed out the way for further research, but his findings largely were ignored until the early '30's. Then Brandenburg of Germany found that the heart rot disease of beets was caused by a lack of boron. This stimulated work in several USDA experiment stations as well as in other countries, and today trace elements are in wide commercial use. While it is too early to call this list complete, five minor elements—cobalt, manganese, zinc, boron and copper—are now attracting wide interest as new tools for the improvement of plants and animals.

The Chocorua soil is by no means unique. Throughout the world, hundreds of “accursed valleys” have been found in recent years. For more than a century, cattle and sheep in some parts of Scotland have come down with a similar disease. There they call it “pinning” or “daising.” Recent studies indicate a cobalt deficiency. In parts of Europe, they call it “enzoötic marasmus” or “Denmark wasting disease.” In East Africa, it is “nakuritis”; in Michigan it's the “grand traverse,” and in New Zealand and Australia, “Morton's Main disease” or “bush sickness.”

A little cobalt has done a lot for New Zealanders. They had been clearing large new areas and grow-

ing big crops by using superphosphates. Many new dairy farms were established, but the cattle came down with bush sickness. In the late '30's the cause was found—cobalt deficiency. Farmers found that if they added to the fertilizer two pounds of cobalt sulphate per acre, at a cost of less than \$2, it made the difference between prosperous dairying and no dairying at all. So the disease has been checked in many areas, but that doesn't mean that the whole problem is solved and we can forget about it. Unrecognized cobalt-hunger may be causing a subacute form of the disease in many herds.

Trace element scientists have found in recent years that the need for a dash of manganese in the soil or the feed is responsible for disease in both plants and animals. Only about 15 years ago it was established that a leg bone deformity in chickens known as perosis or “slipped tendon” is caused by manganese hunger. The bones of these chickens, ground up and analyzed, are found to contain about one-third as much manganese as normal chicken bones. Manganese seems to have a great deal to do with sex. Take it away from male laboratory rats and they become sterile; deprive the females of it and they lose their maternal instinct and their mammary glands function poorly. Manganese-hungry bulls are poor breeders.

A wide variety of plant diseases have been found to be caused by lack of manganese in the soil, among them “gray speck” of oats and “marsh spot”



Manganese has been found to be an important sex factor for animals



An Indian's curse was said to be the reason cattle kept on dying

of peas. To complicate the problem, there is no correlation, says Robinson, between the amount of manganese in a given soil and the amount found in the plants growing on it. The manganese must be made available for the plant, and that matter is controlled by the soil's nature. Sometimes, by applying 25 to 50 pounds of manganous sulphate per acre, farmers get tremendous crop increases, but there is no standard recipe which can be used in all soils and parts of the country.

Tracking down the cause of a trace element shortage often takes a little detective work. On some farms where tractors have supplanted horses, symptoms of manganese shortage showed up. At first the deficiency was laid to the lack of horse

manure; then it was shown that the straw used to bed down horses, but seldom used for other animals, had contained the needed element. In general it is true, however, that the mechanization of farms and the use of commercial fertilizers of high purity—concentrated to save weight in shipment—have played a leading role in robbing our soil of these indispensable pinches of “pepper and salt.”

Last year, 16,000,000 tons of commercial fertilizers were used in the United States to stimulate the soil into high crop production. Some of it contained organic fillers which may have included needed trace elements by accident, but much of it helped to remove from the soil its remaining minor elements, especially on the eastern seaboard with its bumper production and heavy rainfall. More and more, the minor elements are being added to the



Scientists can follow radioactive elements through an animal's body



One rancher fenced his orchard to jam radio waves and it flourished

superphosphates as local needs are being discovered and publicized.

Such infinitesimal amounts of certain trace elements are needed that they are often supplied by accident. There is a story about a western rancher whose orchard was pining away. He had a curious notion that electromagnetic waves from broadcasting stations were blighting it, so he put a circle of wire fencing around each tree to jam the waves. The trees suddenly began to flourish and there was great excitement among the neighbors. An experiment station man interpreted the result differently. The soil, he found, was deficient in zinc, and the rain had washed off some of the zinc from the galvanized wire.

Similar happy errors have been made by scientists. About 15 years ago, California peach trees and grapevines were assailed by the “little leaf” disease, which no one understood. W. H. Chandler, then at the University of California, thought the ailment was caused by a deficiency in iron, so he sprayed some test trees with iron sulphate, with excellent results. Other scientists tried to duplicate his experiment and failed. Then it occurred to him that he had used galvanized-iron buckets for the job, and that the zinc in the coating had done the trick. Since then, it has been shown that zinc hunger is responsible for diseases in many plants, among

them citrus, pecan, apple, pear, apricot, tung, and walnut trees; wheat, barley, beans, buckwheat, garden peas, and tomatoes.

When Dr. Cheng Tsui of the University of Wisconsin grew tomato plants in a culture solution free of zinc, they reached a height of a few inches and then stopped growing. He added a trace of zinc and they resumed their growth. Supplementary zinc is now in wide use, especially in fruit orchards. It may be added to the fertilizer, a solution may be sprayed on the foliage, or a small zinc tack may be driven into the trunk.

The elusive nature of these little traces of chemical seasoning make laboratory work most exacting. When plants are grown in a controlled solution from which a single element is excluded, to determine whether a deficiency disease will develop, a few parts per million of the element may enter the solution by means of the water, the chemicals, the sand, or one of the containers used, and falsify the results of the experiment. In trace element field tests at the U. S. Nutrition Laboratory at Ithaca, N. Y., plots are weeded by hand to prevent contamination by metal tools. As the working surfaces of plows, harrows, cultivators and hoes wear thin, the metal is obviously added to the soil. Who knows the effect on plant and animal health of tool metals of various compositions?

Dr. Frank A. Gilbert, trace element research man of the Battelle Memorial Institute, reports that when milk is pasteurized by means of heated copper equipment, the copper content of the milk is increased slightly. Which prompts the speculation, perhaps not too fantastic, that the metallurgist may some day play an important role in nutrition.

For many years boron, now known to be needed in small quantities by many plants, had a bad name in the United States. During World War I, when American potash first was used extensively for fertilizer, it contained an overdose of borax which was toxic to plants, and so boron was anathema to farmers until 1931, when Brandenburg found that a little of the element was essential. While American scientists were following up his lead, a New Jersey truck farmer brought some horse-radish roots to the experiment station at New Brunswick, and explained that sauce made from

(Continued on page 58)

Science

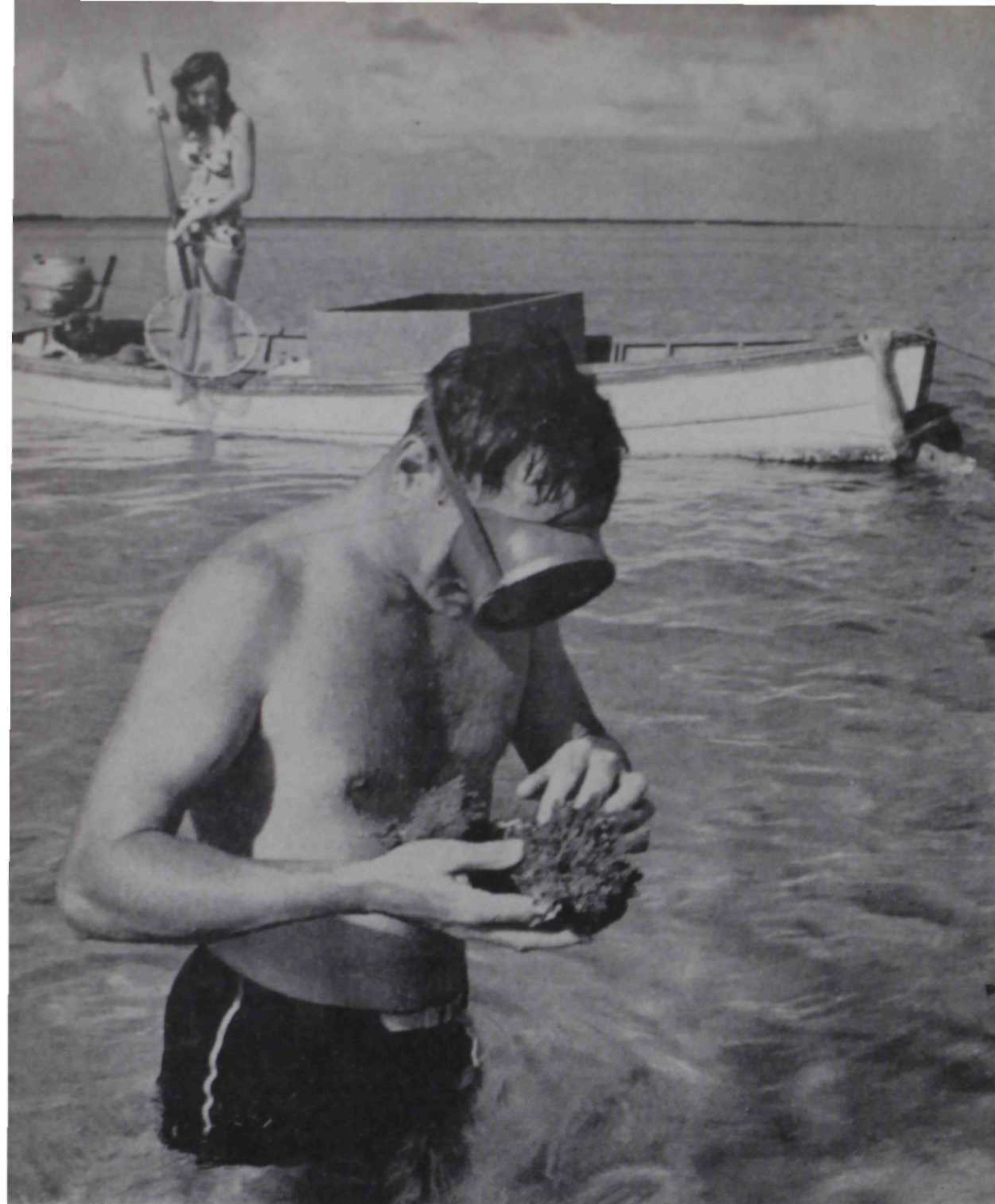
SIXTY miles due east of Miami on the island of Bimini in the Bahamas, a group of scientists is exploring the secrets of the sea. Their work may bring us closer to a cure for cancer, help us build a stronger system of national defense, and shed additional light on human social behavior. The base of their operations is the Lerner Marine Laboratory, an unusual establishment that owes its existence to a combination of commercial and industrial interests, international sport, concepts of world brotherhood and pure science.

Although dedicated only last year, the Laboratory, a field station of the American Museum of Natural History in New York, already has undertaken projects of international importance, and its plan of operation as well as its research schedule sets it apart from other laboratories. It is the only scientific research station in existence, so far as its sponsors are aware, which makes its entire accommodations and facilities available free to scientists and research workers of the world, regardless of race, color, creed or any other qualifying factor.

Any recognized scientist who submits an acceptable project to Dr. Charles M. Breder, Jr., chairman and curator of the Department of Fishes and Aquatic Biology of the American Museum, and director of the Lerner Laboratory, becomes a guest of the station for as long as may be required to complete his work. All he has to do is to get to Bimini under his own power. Once there he is housed and fed at Laboratory expense; has free use of elaborate equipment, including an impressive research library; even his laundry is done free.

While Dr. Breder has final say concerning which projects are acceptable, he is supported by an advisory committee composed of Arthur Gray, Philip Wylie, the author and philosopher, and Michael Lerner, upon whose philanthropy the Laboratory rests.

"The ultimate usefulness, scientifically, of any proposed project is the only measurement we apply in considering applications," says Dr. Breder. "We are not concerned with any other values. Nor is there any such thing as a 'typical' project in terms of its nature or the time a scientist may remain as a guest. The length of stay at Bimini usually is a matter of agreement at the time a study is undertaken. Thus far most of our projects have



PHOTOS BY JOE COVELLO—BLACK STAR

Specimens for research are collected daily

Outdoor tanks permit observation of fish habits



Goes Down to the Sea

By KEN JONES

EXPLORATION of the ocean's secrets may help solve some mysteries of human existence

required only a few months. We would not hesitate, however, to authorize a project which might take several years if it was justified in its scientific importance."

The origins of the Laboratory were remarkably casual. Michael J. Lerner built a national chain of women's shops into nearly a \$100,000,000 a year business over a 20 year span and then withdrew to devote himself exclusively to the pursuit of record aquatic catches. He achieved the records—collected many of the top honors available to international sports fishermen; received numerous decorations and awards, and during the war designed both the emergency and recreational fishing kits used by the armed forces.

Having captured at least one specimen of just about every fish that swims and can take a hook, Lerner passed, fairly naturally, to the pursuit of more significant and elusive game—the scientific secrets of the sea. Out of this may come eventually major clues to the understanding and control of certain diseases, as well as commercial and industrial development and progress.

A long-time trustee of the American Museum of Natural History, he mentioned one day in a casual conversation with Dr. Breder his idea to establish a marine laboratory.

"How would you like to have a field station on Bimini?"

"It would be splendid," Dr. Breder replied.

"Well, we'll see what can be done." Three years later—in 1948—the Lerner Laboratory was dedicated "to scientific research and the betterment of understanding among men of all nations" by His Excellency Sir William Lindsay Murphy, K. C. M. G., "Governor and Commander-in-Chief of the Bahama Islands." How much it has cost Lerner or how much it may cost him in the future are matters which neither he nor the Museum will discuss. It has, however, supplied an interesting answer to the question he must have asked himself:

"After you've caught the biggest fish—then what?"

On this island, six miles long by about

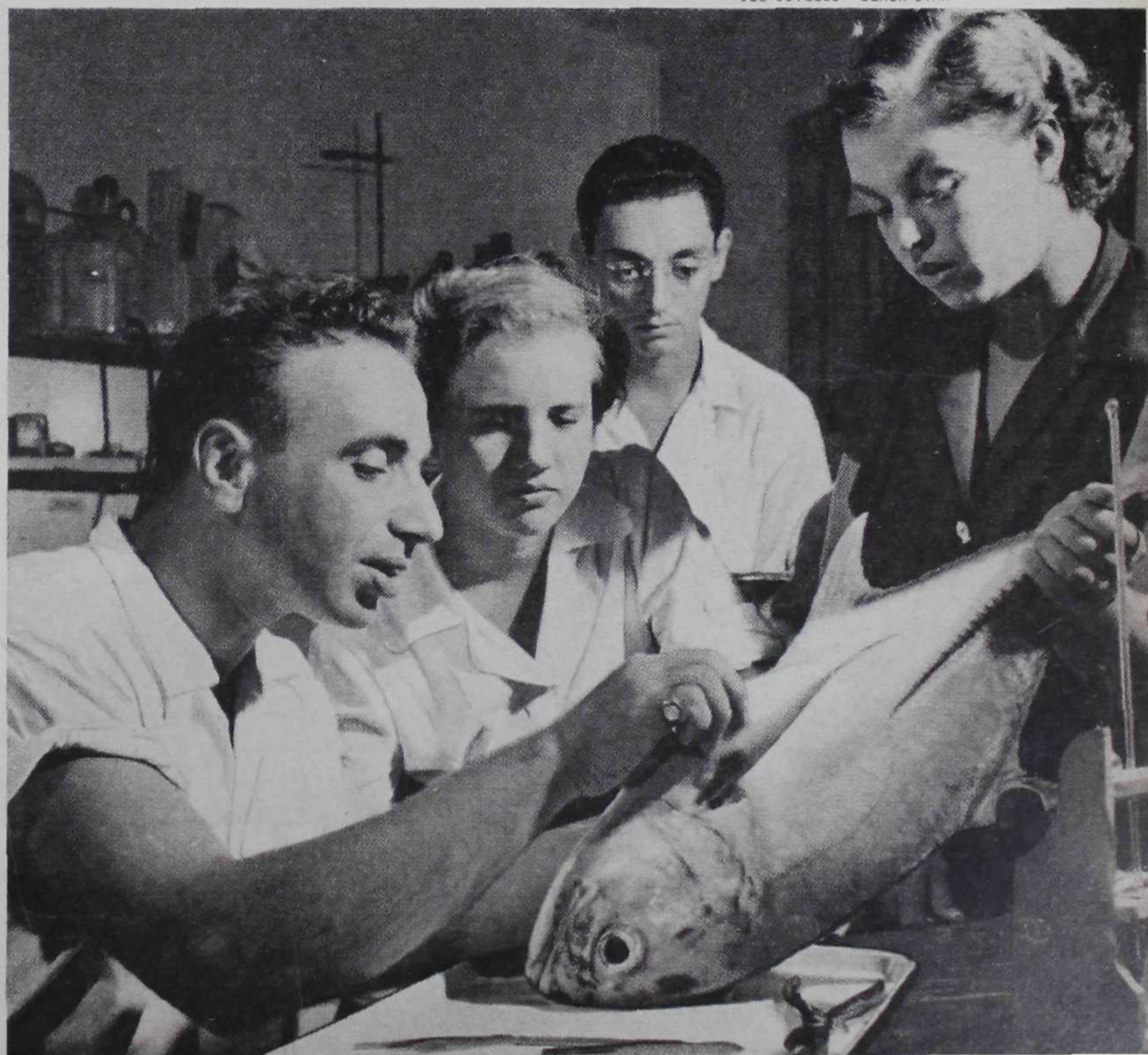
300 yards wide, under windswept palms and surrounded by bright tropical blooms, the Laboratory plant has been erected. Its principal elements are a library-lounge, a room for gross dissection and rooms for minute dissection, microscopy, staining, preserving, etc. There are darkrooms for photography, and others for special biological work. Adjoining rooms accommodate small aquaria, where live specimens are held in fresh filtered sea water delivered through a pumping system which eliminates any poison hazard.

Outside, deep concrete pools accommodate larger live specimens. A large stockade, electrically lighted and built at the edge of the sea so that salt water circulates naturally through it, holds giant specimens—sharks, tuna, rays, grouper, huge jewfish, etc. The food requirements of these specimens and other lesser ones held in adjoining smaller stockades has called into being a supplementary fishing industry of purely utilitarian aspect.

Daily several Laboratory workers—native Bahamians—go to sea in small motorboats to catch necessary food fish. These workers function unconcernedly midway between two of the most brutal manifestations of nature ever encountered by this reporter. Overhead blazes a coppery sun that can hammer a man into agonized cringing

Some of the studies of the anatomy of fish may provide information useful in national defense

JOE COVELLO—BLACK STAR



in a few hours; inches below the magnificently lucent green waters over the reefs lurk sharks and barracudas which can and do strike with a suddenness and ferocity that have little counterpart on dry land. The natives—"Conchs" in the local idiom—have full respect for both of these forces. They fit their boats with beach umbrellas for fleeting shade, and they do not go into the water voluntarily. Even so, theirs seems a marginal existence.

For the layman, one of the most fascinating of the many mysteries of Bimini emerges in this prosaic business of feeding the predatory specimens. You can't tame a shark or a barracuda. When live food fish is tossed into the stockade, there is a great roiling and boiling of the waters, and usually the little mullet or trigger fish disappears. *But if the barracuda misses—if the seemingly doomed food fish escapes—the large predatory fish in the stockade are likely to accept it and thenceforward allow it to swim freely among them without molestation!*

The work currently going forward at the Laboratory breaks down into three major classifications. Some of it will bear fruit to the enrichment of commerce and industry; another portion has significance medically; the final portion may be classed as "pure science." Among immediate projects in work on Bimini I found:

Dr. Lester R. Aronson of the American Museum is engaged in a three-way study. His first inquiry revolves around the concept that the hormones developed by fish may be of different character than those of mammals. His investigations in this direction are yielding facts which may lead to a fuller

understanding of the endocrine system—a matter of vital concern to pharmaceutical companies interested in its clinical implications. His second project deals with the reproductive processes in fish; strangely enough, a subject about which little is known, and one in which the fish food industry as a whole has a considerable stake. The third part of his study, conducted both in the Laboratory and the waters adjacent to Bimini, seeks to develop reliable patterns for the social behavior of fish. These, traced back through evolutionary channels and related to causative factors, are expected to shed additional light on human behavior.

Dr. William Tavalga, a guest investigator from City College of New York, is using gobies—small fish six to eight inches long—in a study of the genetics of tumors in fish. Gobies are normally mottled gray, but change color instantly and, apparently, at will. Dr. Tavalga's current inquiry centers upon the pituitary hormones and their possible relation to pigmentation in amphibians and reptiles.

Dr. Tavalga's wife, Margaret, with a grant from the American Cancer Society, is pursuing parallel studies, and also is conducting experiments in the adaptability of fish. In these latter inquiries she is using small needle fish which abound in the area, and has found that the removal of the fish's long beak results in a quick change both in its diet and feeding habits until the amputated member grows back again.

Dr. Ivor Corman of George Washington University in Washington, D. C., and the Warwick Cancer Clinic, and his wife are prosecuting complementary studies centering upon cell division in cancerous growth. Sea urchins, most useful for this work, are gathered daily from the shallow waters surrounding Bimini. Carol Moser, Laboratory technician, gives them a daily "haircut"—removing the sharp spines which make handling difficult and sometimes dangerous. As Dr. Corman observed: "We can get more cells here within a half day than we could get in a month elsewhere. At this stage the work is largely statistical; it must be painstaking and unremitting. The Lerner Laboratory provides an unparalleled opportunity for this basic research."

Much of the scientific work already completed at the Laboratory and that scheduled for the immediate future has the interesting characteristic of being both immediately useful and applicable, and scientifically significant at long range. Among projects of commercial or industrial application, the following have been completed:

Dr. Max de Laubenfels of the University of Hawaii collected and classified sponges in the waters adjacent to the plant, and took the first steps in a study of the blight which virtually wiped out the domestic sponge industry some years ago. While this multimillion dol-

(Continued on page 66)



Experiments on sea urchin cells will aid in cancer research

For Safer Autumn Driving

Autumn, with its crisp, cool days, is usually one of the most pleasant seasons of the year for motoring—but this can be enjoyable only when it is safe.

The President's Highway Safety Conference reports that the traffic fatality rate has dropped steadily in the postwar period from 11.3 for each 100,000,000 miles of vehicle travel in 1945 to 7.3 in 1948. While this is encouraging, the 32,000 automobile accident fatalities last year indicate the need for greater improvement.

Safety authorities agree that most ac-

cidents are the result of *drivers' mistakes*. By far the most important cause of accidents is the failure of drivers to adjust speed to changing road and traffic conditions. For example, 55 per cent of all fatal accidents happen at night, when vision is obscured, and 14 per cent occur in inclement weather, when roads are slippery.

Traffic experts stress driving at reasonable speeds as one of the most important steps in reducing highway accidents. In addition, they make a number of other suggestions, some of which are illustrated below:



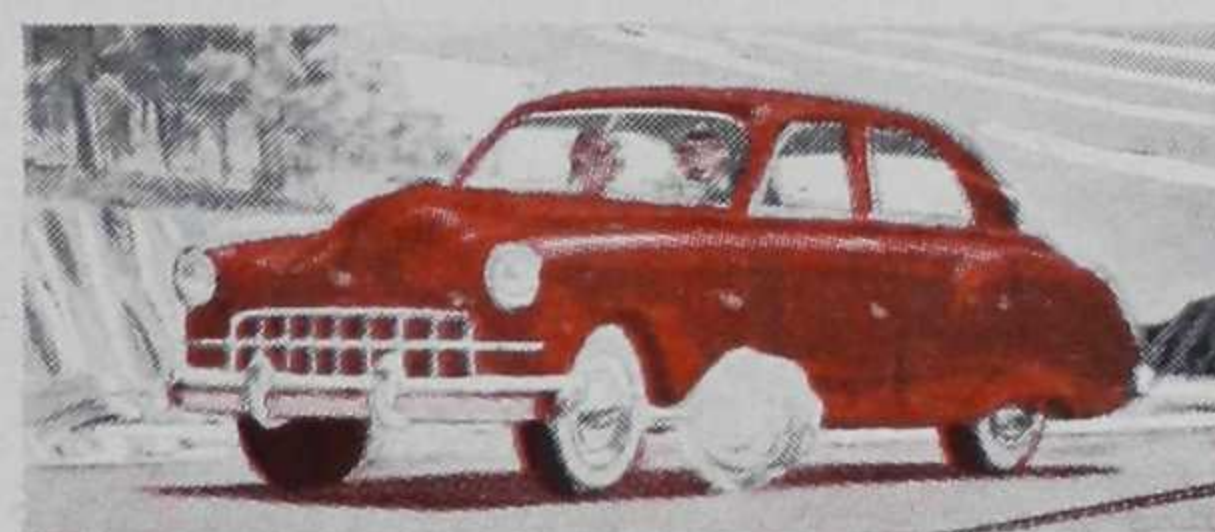
1. Vehicle defects are reported as contributing causes in many accidents. So, it is important to have your car completely checked at regular intervals to make sure it is in safe operating condition. Particular attention should be given at all times to brakes, tires, steering mechanism and lights.



2. Skidding on slippery surfaces is a frequent cause of accidents. To help avoid this, brakes should be applied with light pressure, then released and applied again. Jamming the brakes on will lock the wheels and may cause a skid.



3. Collisions frequently occur when cars are too close together. On dry pavements, a good rule is to allow one car length for every 10 miles of speed. This margin should be increased at night, on slippery roads, or at high speeds.



4. Emergencies need not always cause accidents if drivers know how to handle them. For example, when a tire blows out, keep a tight grip on the wheel and allow the car to slow down before applying the brakes. This makes it easier to prevent swerving or skidding.

The cardinal principle of safe driving is to keep one's car under control at all times. Only as more and more motorists observe this basic principle can the number of automobile accident fatalities be further reduced.

For more information, send for Metropolitan's free booklet, 129-P, called "How's Your Driving?"

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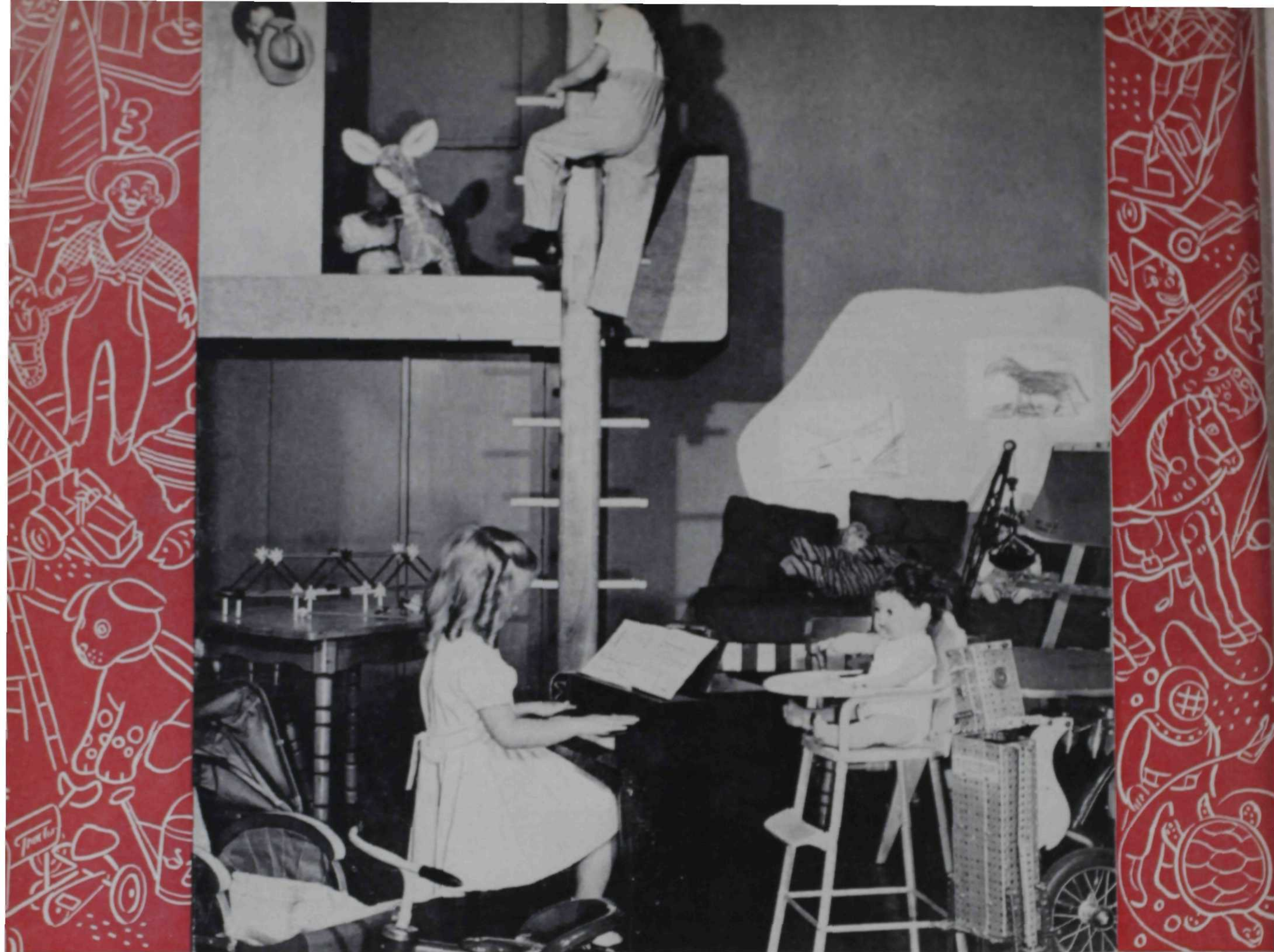
Metropolitan Life Insurance Company

(A MUTUAL COMPANY)



1 Madison Avenue, New York 10, N. Y.

TO EMPLOYERS: Your employees will benefit from understanding these important facts about safer driving. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.



PHOTOS BY TOMMY WEBER

Here Every Day is Christmas

By TOM O'REILLY

*"Jolly old St. Nicholas, won't
you come this way?"*

Johnny wants a pair of skates.

Nellie wants a sleigh. . . ."

AMERICAN youngsters, singing the words of this ancient nursery song, while "visions of sugarplums dance in their heads," traditionally picture St. Nick busy at work in his North Pole toy shop. People familiar with the great American toy industry, however, realize that the old boy couldn't fill half his orders if he failed to stop at Fifth Avenue and 23rd Street, in New York City. Across the street, in Madison Square, a beautifully

lighted giant Christmas tree stretches toward heaven, but its very peak only reaches a short way up the 16 story skyscraper, at 200 Fifth Avenue.

"The Toy Center," as this building is called, houses representatives of more than 1,000 manufacturers of American playthings. The Center maintains a year-round "visitors' bureau" and exhibition playroom, for the convenience of buyers from all parts of the nation. More than 50,000 playthings, designed to amuse and often educate boys and girls, can be obtained in this mammoth toy mart. Based on United States Department of Commerce preliminary sales figures, this year's whole-

sale toy volume is expected to reach more than \$300,000,000. And a greater part of that sum will have been spent here at home, thanks to the beaver-like workings of the people in the gigantic Toy Center.

"As the result of research, manufacturing improvements and better availability of materials," says Kenneth P. Fallon, president of the Toy Manufacturers of the U.S.A., "this year's merchandise offers more for the money, in terms of play value and durability, than ever before. The already record number of toy users has been increased by the 3,500,000 birth rate in 1948, bringing the number of children under 17 to more than 43,000,000, approximately 40 per



**He wouldn't take
less
than the best!**

SIXTY years ago, Trenton was the pottery center of this country . . . but produced nothing comparable with the fine tableware of European manufacturers.

Trenton was also the home of Walter Scott Lenox . . . who believed that the standards of Delft, Wedgwood and Limoges could be equaled in domestic china.

In 1889, with \$4,000 capital, he set up his kilns and made a start with a pair of Irish craftsmen.

For years he scrapped much of his output as below standard . . . but eventually worked out formulae and methods which produced china as fine as Europe's best. Getting acceptance for his product took even longer.

SHREVE of San Francisco placed an order for Lenox ware in 1905. Delivery was made the day before the quake and fire. The shipment, still in packing cases, was destroyed when the Shreve store burned down . . . Just one plate survived unbroken, its gold borders melted and color smeared, but sound and smooth-surfaced, justifying all Lenox's claims for his ware.

In 1918, President Woodrow Wilson ordered from Lenox a set of 1,700 pieces for the White House. In the next eight years, only four pieces were lost by breakage.

By the time the company turned the corner in 1919, Walter Lenox was almost totally blind and paralyzed.

SINCE the War, the company has modernized its manufacturing, set up its own sales organization . . . worked out a program for educating dealers and sales people, publicized its products with motion pictures to women's clubs and high school girls, developed a one-piece purchase plan . . . tripled its best pre-war volume!

To the business man faced with the problems of merchandising quality or reviving an old business, the story of Lenox Pottery by Joe Alex Morris is rich in information and inspiration! . . . And there are a dozen other articles well worth your reading time . . .

**... in NATION'S BUSINESS
for January**



cent ahead of the average toy-using population in prewar years."

Before mentioning the wondrous collection of playthings to be found within the Toy Center, it might be revealing to take a quick look at the history of the American toy industry. Production in America began to shift from handcraft work in small shops and home-made products to factories in the nineteenth century. At the time of World War I about half of the toys used by American children were imported, but American industry was well established as the makers of high-quality durable wheel toys, such as wagons and doll carriages. Sleds, blocks, wooden dolls and cast iron farm implements also were produced in volume. Trains, books, games and a variety of other playthings brought the retail value of American toys to more than \$50,000,000.

When the wartime embargo on German merchandise went into effect, American makers capitalized on this opportunity by affecting revolutionary changes in toys that were to supersede the European tradition of novelty toy designs. The Toy Manufacturers of the U.S.A., Inc., the trade association of the industry, was formed in 1916. Today it represents approximately 250 of the principal toy manufacturers scattered throughout the United States.

These firms account for 75 per cent or more of the dollar volume of toy sales in normal times.

Mass production and research became the kingpins of the industry. Today manufacturers work with psychologists and teachers to produce new designs which will have increased play value. Inventors are encouraged to submit new ideas. Staffs are maintained to test new toys on children to determine the age interest of each item. Technicians are continually at work hoping to improve manufacturing processes. Intensive effort is expended to make toys safe and durable as well as eye-appealing. When a new toy is being developed the test of its play value becomes "What can the child do with the toy?"

One of the most dramatic illustrations of this change in purpose, initiated by the American toy industry, can be found in all doll designs. For many years beautiful dolls had been made of wax, bisque and china. They had wigs of real hair and lovely clothes designed in the height of fashion. But these dolls were fragile and had to be handled carefully. Their clothes were fastened on securely, making it impossible for little girls to dress and undress them. The tragedy of the broken doll was a familiar sorrow of childhood.

Today, the American toy indus-

try has developed a doll of composition rubber that is almost unbreakable. Real little girl faces, modeled from the expressions of actual children, supersede the prim, grown-up expressions which were typical of the old wax and china dolls. Clothes are durable and often washable. They are designed purposely so that fumbling little fingers can easily put them on and take them off. With this type of doll a little girl can undertake most of the activities that a real mother endures in taking care of a baby. Now, instead of admiring with deference, the modern child gains extensive training in imaginative play and manipulative skill through the many activities which her doll inspires.

The trend is typical. The American way of life dominates all our toys. Nearly every phase of home-making, architecture, engineering, transportation, agriculture, science and fashion is reproduced in inexpensive miniature for playroom fun and education. Efficient mass-production methods have made toys available in large volume and at low cost.

Toy-making, by the way, cuts squarely across most all industries in the United States. It is, in fact, more than 27 industries in one. For example, the manufacturer of cast iron toys must have a regular iron foundry with all the special



These non-finger-pinching gocart hinges should save the small set many a loud wail

Junior is less likely to need first aid if his toys have rolled edges—as the one above

production problems of that industry. The manufacturer of toy furniture has a regular furniture factory; the glass marble maker has a glass-making factory. The manufacture of doll clothes is the same—from a production standpoint—as the making of women's dresses.

During World War II, although there was no prohibition against the manufacture of toys, many standard types of playthings could not be made because of the shortage of materials such as steel, rubber, zinc, tin, copper and various plastics. Prior to 1942 there were between 800 and 1,000 firms in the production side of the industry.

Approximately 150 of the larger outfits switched from toys to more serious products and turned out some \$300,000,000 worth of fighting equipment. During this time, however, nearly 1,000 new firms sprang up, making toys principally of wood and paper. When the old firms returned to making wheel goods, electric trains, rubber toys and balls—all of which had disappeared during the war—they found German and Japanese competition dead and world leadership in American hands.

Toys on display at 200 Fifth Avenue range, with a neat bow to history, from cowboy and Indian suits to atomic energy outfits, jet-propelled and supersonic planes, as well as miniature television sets. There is a boom in farm toys and amazing new adaptations of plastics. You can get meat grinders and soda fountains that really work. Electric vacuum cleaners, toy size, pick up dirt and can be emptied.

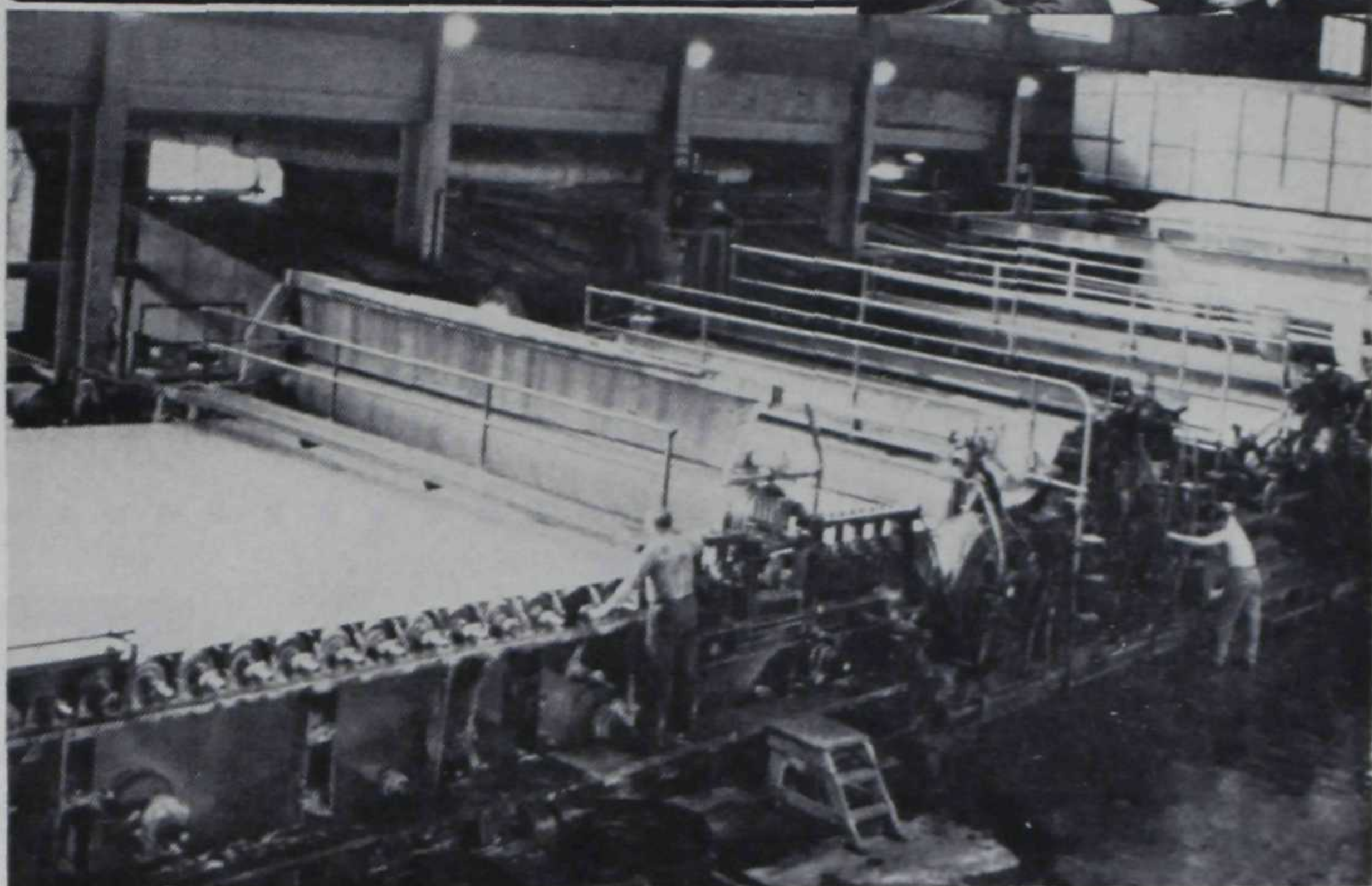
New dolls with specially treated nylon wigs can have their hair waved just like Mother's. A shampoo washes out the wave and sister can begin all over.

Electric trains include a new cattle car that lets out a parade of cows which march across a station platform. A new velocipede, designed for indoor riding, operates in a circle and is attached by a three-foot arm to a tripod.

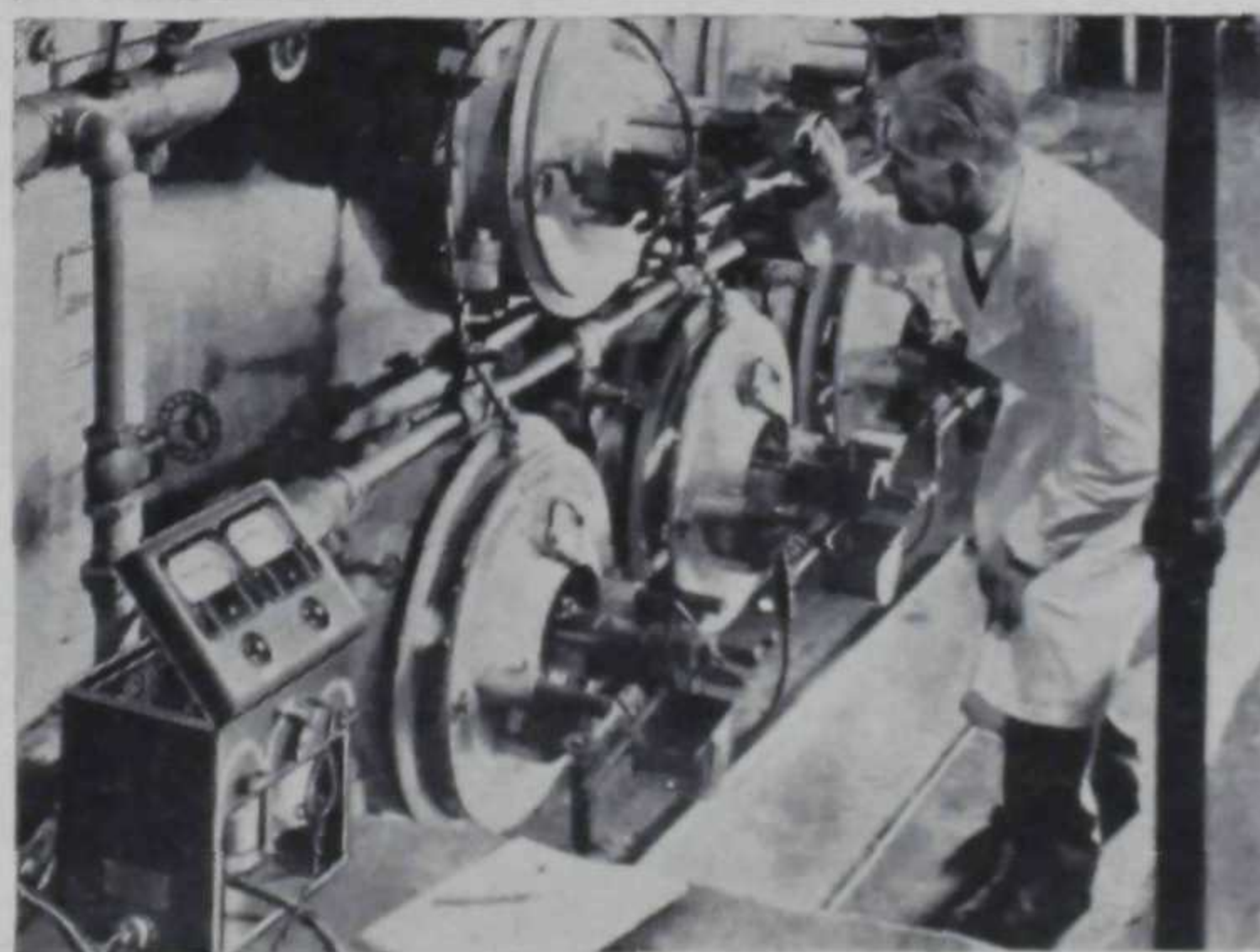
There are hundreds of varieties of model-making and hobby kits. These involve woodburning, glass painting, carving, weaving, sewing, steel construction, jigsaws, carpentry, chemistry, physics and mineralogy.

A word of warning: Do not be disappointed if, by Jan. 15, Junior has tossed some of these more choice items into a corner and returned to playing shinny with a busted broom handle and a battered tin can. That's just human nature. Merry Christmas!

"How do we know we're getting maximum efficiency from our heating units?"



"CONTROL OF HEATING UNITS in our paper manufacturing plant was vital to production. Until we called in a Cities Service Engineer we had no check on percentage of fuel converted into productive energy . . . amount wasted . . . or if we were getting the maximum amount of heat."



"THE INDUSTRIAL HEAT PROVER told us quickly and accurately the answers to these questions."

The Heat Prover can be used on all industrial furnaces regardless of the fuel used. Also analyzes faulty diesel engine performance. Write for free demonstration today. There is no obligation for this service.

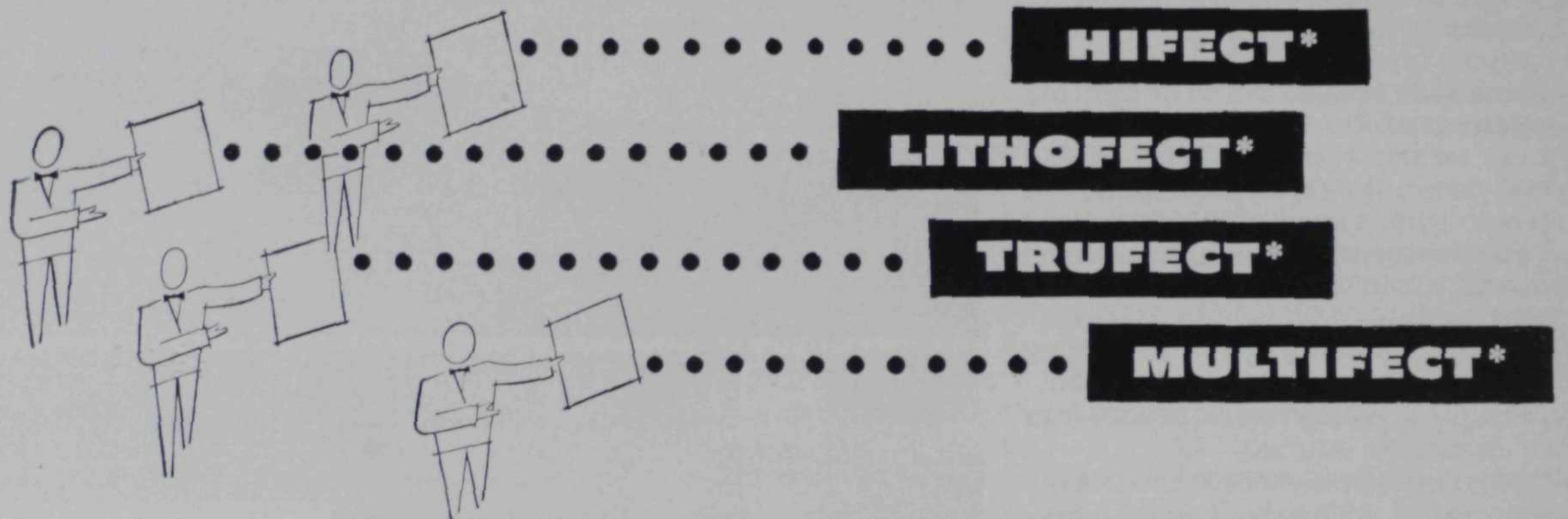
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all made with the new LongLac
sulphate fibers, these papers look whiter,
feel smoother, are stronger,
and give you finer printing at lower
relative cost than ever before!

Look at Levelcoat ^{NOW} for new

LEVELCOAT* PAPERS

Like a new father, we're mighty proud to announce *our* new babies... a balanced line of four great new papers, with a choice of weights in each grade!

You'll be excited, too, when you see their remarkable printability, made possible by Kimberly-Clark's development of the new LongLac fibers. These longer, stronger fibers provide an exceptionally firm, cohesive base sheet with *maximum binding qualities* and better foldability. This has led to an improved coating formulation which gives these new Levelcoat papers a uniform, mirror-smooth surface never before achieved.

With ink trapped and anchored uniformly, each halftone dot prints to its precise tone value. With uniform pick resistance developed across the entire sheet, solids print clearly, smoothly. And with each new Levelcoat paper, brilliant colors are reproduced at maximum tonal density with a minimum of ink.

That's printability at its best... and that's why new 1950 Levelcoat is your best buy in paper today!

New HIFECT

—the highest achievement of 77 years of fine papermaking. New Hifect has the appearance and printability you expect of higher-priced enamels. You'll find permanence, folding endurance and dimensional stability make Hifect the ideal choice for covers or any fine letterpress printing.

New LITHOFECT

—a deluxe paper designed to fill a long-felt need in offset printing. Now it's no longer necessary to pay for costlier enamel offset to achieve the finest offset printing. New Lithofect combines a moisture-resistant coating to eliminate surface pick, with a strong base sheet. Renders rich, solid blacks and glossy colors without loss of density.

New TRUFECT

—improved with the addition of LongLac sulphate fibers to make this quality sheet more popular than ever. Now it's whiter—it's smoother—and folds even better than before. Faster setting time and greater all-round press dependability make Trufect a finer, bigger value for 1950.

New MULTIFECT

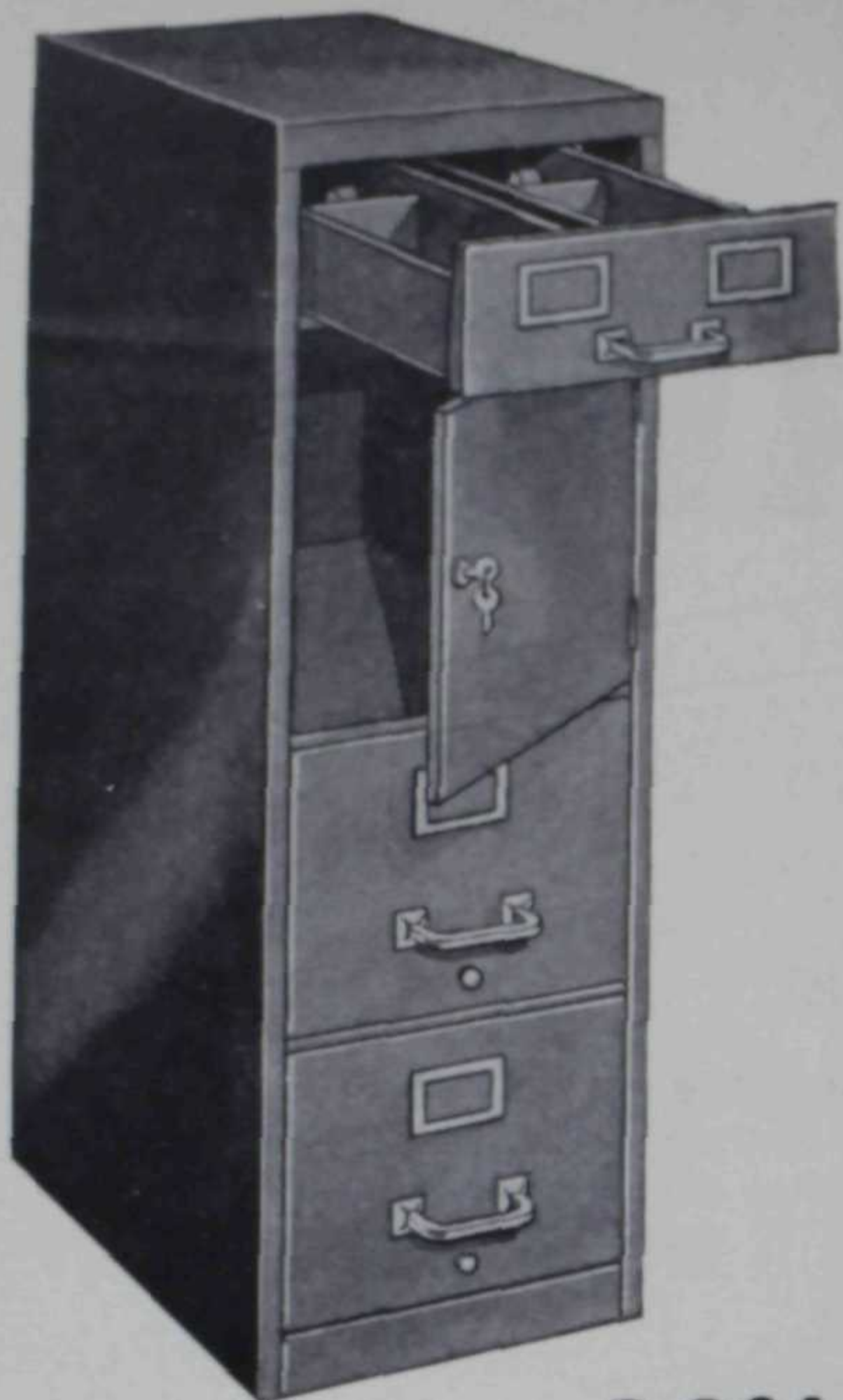
—the Levelcoat economy sheet designed for volume printing, now prints far better with less ink—combines faster setting time with smoother performance on the press. LongLac fibers give new Multifect added strength, better foldability and ream-on-ream uniformity.

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New York's Largest Stationers

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Good Medicine that Comes in Small Doses

(Continued from page 47)

them was full of black specks and couldn't be sold. Dr. Firman E. Bear and his colleagues had just finished a study of the boron needs of New Jersey soils, and were able to guess at the trouble. The farmer applied borax to his field, and the black specks in the horse-radish disappeared.

Since then it has been found that a little boron prevents not only heart rot and dry rot of sugar beets, but also internal cork of apples, top rot of tobacco, cracked stem of celery, and internal browning of cauliflower. Several years ago, alfalfa growers in heavily farmed eastern areas were troubled with yellowing of the crop. A little boron took care of that. It calls for miserly use, like garlic in a salad.

For example, an acre of soil to the depth of one foot weighs about 4,000,000 pounds, and one pound of pure boron per acre has been recommended for tobacco.

SURVEYS show that vast areas are deficient in boron, including all of North Carolina and Tennessee, Alabama and New Jersey, southern New York and much of New England, while a belt across northern Michigan, Wisconsin and Minnesota is suspect, as well as large areas on the Pacific Coast.

Copper is another of the mysterious trace elements without

which plants and animals do not thrive. It helps the body to utilize iron in the formation of hemoglobin in the blood, and it also appears to perform a function in the liver.

For many years in Denmark and Holland a so-called "reclamation disease" or "yellow-tip" has affected grains and forage grown on newly reclaimed heath and moorland soils.

In the early '30's plant scientists found that the disease could be cured by adding copper sulphate to the soil.

It was also known that cattle which lived on this forage came down with "licking sickness," characterized by debility, loss of appetite, and low hemoglobin content in the blood. When the cattle were dosed with copper sulphate, they recovered as the plants had.

Meanwhile the "die back" disease of citrus fruits (death of the young growing tips) was found to be caused by copper hunger, and the use of copper sulphate in certain soils increased the yield of tobacco, lettuce and onions. It must be used carefully, because too much copper will stunt plant growth.

Other trace elements, essential in small amounts, may be toxic if mixed with the soil by nature or man with too lavish a hand. A dash of molybdenum is essential to many plants—more than a dash



may poison animals. The most notorious toxic element is selenium, which rots the hooves of cattle in large areas in the West, and is a serious problem in the Republic of Colombia.

Despite the new surge of interest in these indispensable dashes of seasoning, knowledge of where the trace elements go and what they do in plants and animals is still sketchy. But the atom bomb brought agricultural scientists a new tool—the radioactive isotope, and it is already being used dramatically in several laboratories to trace the progress and behavior of the minor elements in crops and livestock. By this method, “brother” atoms of the various elements are “tagged” with radioactivity at the great nuclear research centers, so that when a Geiger counter—the sleuth of the atomic age—is placed near them, it reveals their position by ticking like a clock.

DR. C. L. COMAR and his colleagues of the Florida Agricultural Experiment Station have fed radioactive cobalt to cows and have followed its course through their bodies, listening for the tell-tale ticks from the animal’s organs, meat, hide, hair, and excretions. They have found that the cobalt plays a part in the functioning of the cow’s rumen, and that it can’t store it up but gets rid of most of it within seven days—important facts to dairymen.

Other tagged atoms are added to culture solutions which nourish laboratory plants. Dr. P. R. Stout of the University of California fed tagged zinc atoms to tomato plants and later exposed photographic plates to slices of the fruit, thus allowing the “broadcasting” atoms to show for themselves where they have congregated and to give hints as to their function.

“There are many studies,” says Dr. L. A. Maynard, formerly of the U. S. Nutrition Laboratory, “showing that fertilization with a given mineral increases its content in a specific crop in a specific location. Other studies, however, have shown that the results do not hold for the crop in the same area another year, or for other crops grown in the same location the same year.”

In other words, there’s a great deal to find out. Any bright young student who is looking for a fascinating career as a pioneer in science would do well to consider this field. He might succeed in conferring upon the world the greatest boon of the century—more food production with less fertilizer.



In every fluorescent lighting fixture there is a ballast, a device needed to regulate the electrical voltage and current used by the lamps.

The amount of light you get from the lamps . . . and the length of time the lamps will burn . . . depend on how well the ballast operates.

Obviously, a good ballast cuts your maintenance costs because it helps the lamp deliver all the light it should and helps it last to its full life. Lamp replacements are less frequent.

CERTIFIED BALLASTS are good ballasts. They are made to exacting specifications to assure that fluorescent lamps will operate at peak efficiency. Then, as a further protection, **CERTIFIED BALLASTS** are tested, checked and certified as conforming to these rigid specifications by Electrical Testing Laboratories, Inc., an impartial authority.

Specify **CERTIFIED BALLASTS** for the fluorescent fixtures you buy to keep your lighting performance *up* . . . your lighting costs *down*!

May we tell you more about **CERTIFIED BALLASTS**? Write for **FREE** booklet “The Story of **CERTIFIED BALLASTS**.” Address Certified Ballast Manufacturers, 2116 Keith Building, Cleveland 15, Ohio.



CERTIFIED BALLAST MANUFACTURERS

Makers of Certified Ballasts for
Fluorescent Lighting

2116 KEITH BLDG., CLEVELAND 15, OHIO

What Russia's Bomb Means to Us

(Continued from page 30)

ize Britain; she may put our ships out of action; but if, after all this, we can still master the skies over Europe, then Russia will be destroyed and we will be the ultimate victors. The continents of America and Africa provide us the strategic and tactical bases from which this can be done.

The atomic bomb did not appear until the last days of the second war. The aerial effort in that conflict was elementary compared to what it will be the next time. Yet even after the second war the scientists who made the Strategic Bombing Survey reached this conclusion:

"The experience of the Pacific war supports the findings of the survey in Europe... that no nation can long survive the free exploitation of air weapons over its homeland. For the future it is important fully to grasp the fact that enemy planes enjoying control of the skies over one's head can be as disastrous to one's country as its occupation by physical invasion."

Initially, we must base our strategic air power on North America because of two realities: 1, we have no other completely reliable base, and 2, we obviously must be in a position to deliver an

instant cataclysmic retaliatory blow to neutralize the initial wound we must accept. Our means for matching Russia's initial blow is our principal hope for deterring Russia and thus having peace; therefore we must erect this means on the most secure of all bases—and that is our homeland.

This is why our Government has given first priority to the development of bombers capable of inter-continental warfare. And except for the dissent of a minority group of Navy admirals, our responsible planners are convinced that we already have such bombers and will shortly have even more effective ones.

The Navy minority sought to base our means for the retaliatory blow on supercarriers. The Government rejected this plan for several sound reasons which would be more apparent to the public if the Navy would release the Bikini report. The most obvious objection to the supercarrier is that in an atomic war it would stand little chance of ever leaving a harbor.

Africa becomes a full partner in this concept of the next war. Not just Mediterranean Africa, but all of Africa. In the initial phase Africa would be important as a turn-around base for our strategic

bombers. A fallacy exists that immense bases are required for aircraft such as the B-36. Actually the B-36 can use any airstrip that will accept a B-29. Many such landing strips are now available on the African continent. All they are needed for—in the initial phase—is to refuel the bomber if its assigned target makes a return trip through Africa more feasible than a direct turn above the target.

But the ultimate value of Africa lies in its development as a tactical rather than a strategic base, that is in support of ground operations in the secondary effort against Russia.

The many advantages of Africa become apparent. The population is meager; the people are not particularly amenable to communism. On the entire continent, except for two harbors, there is not a lucrative atomic target. There are wide open spaces, no vast population centers which can be intimidated or made to suffer unduly. As a military base in the atomic age Africa is superior to any other continent; and Africa is the principal source of the raw materials for atomic weapons.

We should deliberately develop Africa as our potential tactical base. Efforts by American industry under the President's Point Four program should be coordinated with military planning. Railroads, modern highways and electric power for Africa could one day be the difference between defeat and victory.

We can overbalance Russia's advantages and assure peace or victory if only we are willing to plan realistically. We need not abandon hope; all the free men of the earth are on our side. In our plans there can be roles aplenty for our diplomats, our Air Force, our Navy, our Army, our industry. Our diplomats can seek peace; our Air Force can be maintained in readiness to strike; our Navy can plan to protect our harbors and to deliver our forces in the secondary phase; our Army can prepare for its traditional role; and our industry must support all of them. And in all our planning we must realize that there is a limit to our cash and credit, that our enemy is intent upon exhausting both, and therefore we must create a better war machine for less than present costs.

The Russian bomb has cast its shadow over all of us. But the Russians are realists; and if we plan intelligently, we can still hope for peace.

Soft Rubber Whistles

THE familiar rubber "squeeze" toys that emit a whistle or squeal when a child squeezes them are now being made with the whistle part made of a soft rubber for the child's safety.

The construction of the whistle can be altered to conform to the base of any rubber latex toy and is designed to be retained as part of the toy during the life of the plaything.

The rubber whistle takes the place of the metal previously used as an insert in the rubber toys. Active children could remove the hard metal pieces while the rubber whistle is more difficult to take apart.

Because of its soft composition, a toy made with this whistle is said to cause less discomfort when a child insists on

sleeping with it and then rolls on it.

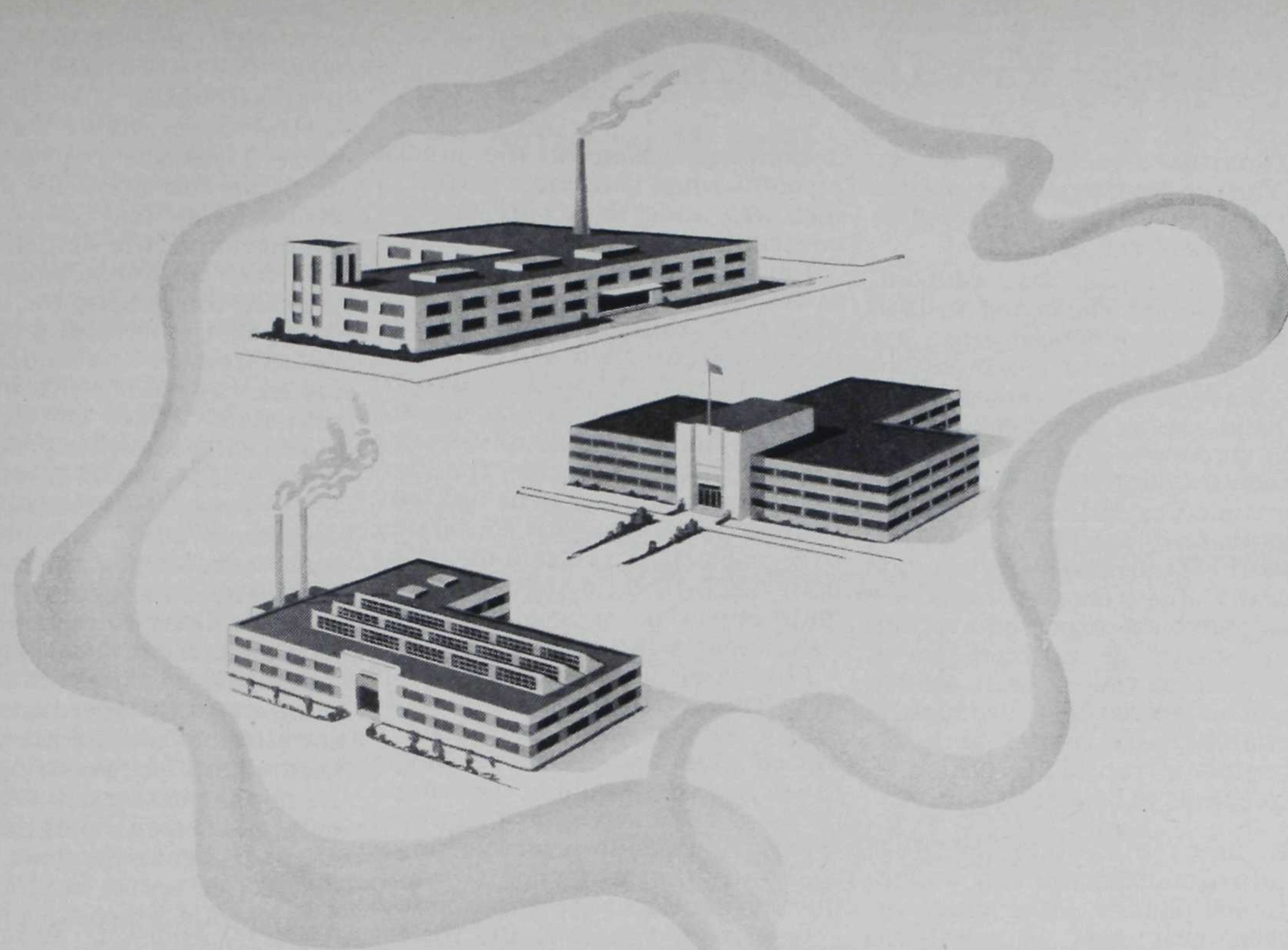
The new rubber whistle yields



a softly modulated tone which is said to be more pleasing to the child and less annoying to adults than the conventional whistle.

The whistle is now being incorporated in rubber crib toys made by a number of manufacturers.

—W.L.H.



Like rubbing Aladdin's Lamp

IT'S easy to believe that Aladdin and his wonderful lamp are on the job... the way new factories *suddenly materialize* in the South served by the Southern Railway System.

One day there's only an empty patch of the most desirable industrial real estate in America. Then...*Presto!* And up

pop busy new plants—almost overnight.

It's spectacular, of course. But it isn't magic. Industries are simply discovering... with a rush... that the Genie of "Opportunity" is at their beck and call in the industrially-charmed, fast-growing Southland.

"Look Ahead—Look South!"

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

Britain Pays Through the Teeth

(Continued from page 40)

5. That a dentist should receive 1,600 pounds a year net income in terms of 1939 values.

When the report was adopted, it was promptly converted to 1948 terms by adding 20 per cent, less eight per cent for superannuation. The Government decided that overhead costs, on 1948 terms, would amount to about 52 per cent.

However, dentists had to work more than the optimal 33 hours a week to meet the demand which followed establishment of the Act. Naturally, they boosted their incomes above the expected average and increased the national cost of the dental service as well as the amount of dental care produced.

National costs soared and the Government frantically began to look for ways to bail itself out.

THE first thing done was to amend regulations limiting a dentist to 400 pounds, after which he received only half of what he earned. Then, June 1, 1949, another amendment was made, substituting for the original slash an approximate 20 per cent reduction in all fees—an across-the-board cut in most cases.

This reduction in income of the dental profession was done arbitrarily, almost tyrannically, by the Minister of Health, without consulting the organized dental profession. Moreover, this summary

action was taken at the precise moment when the whole matter of fees was under study by another governmental commission.

I firmly believe that further cuts in dental incomes are in sight. The high fees granted originally were, in my opinion, part of the lure to draw dentists into the national service. Since Minister of Health Bevan apparently has to retrench sharply in some quarter, the dental program appears to be fair bait. I think it violates no confidence to reveal that Bevan told me in my interview with him that the "ultimate objective" is to put all dentists under salaried service.

Physicians in England under the Act temporarily escaped a state salary status when they took a united stand and drew from Bevan the promise he would not summarily put them under salary, like civil servants, without prior consultation with the profession. Unhappily the dentists were not so united—until recently no single society represented all of them.

Why is the amount of dental care promised under the "free service" likely to suffer additional reductions by the cuts in dental fees? The answer would seem apparent enough. Latest official reports placed the 1948-49 cost of the entire health scheme at 352,000,000 pounds. The dental part of that over-all cost—apparently because of a monumental miscalculation

as to costs and the demand for service—mushroomed to two and one half times the original estimate. For the 1949-50 fiscal period, it is estimated that dental costs to the Government will approximate 31,000,000 pounds. But not alone on the mere rise and fall of professional fees do I base my evaluation of the British scheme.

If fees do not adequately compensate the dentist for high quality work, the natural tendency will be to reduce that quality. It is foolish to advance the often heard argument that no professional man will knowingly slight the quality of his work. If all incentive is removed, if intensive and conscientious effort produces no reward other than further restrictions on one's income, no human being is likely to respond with his best measure of devotion.

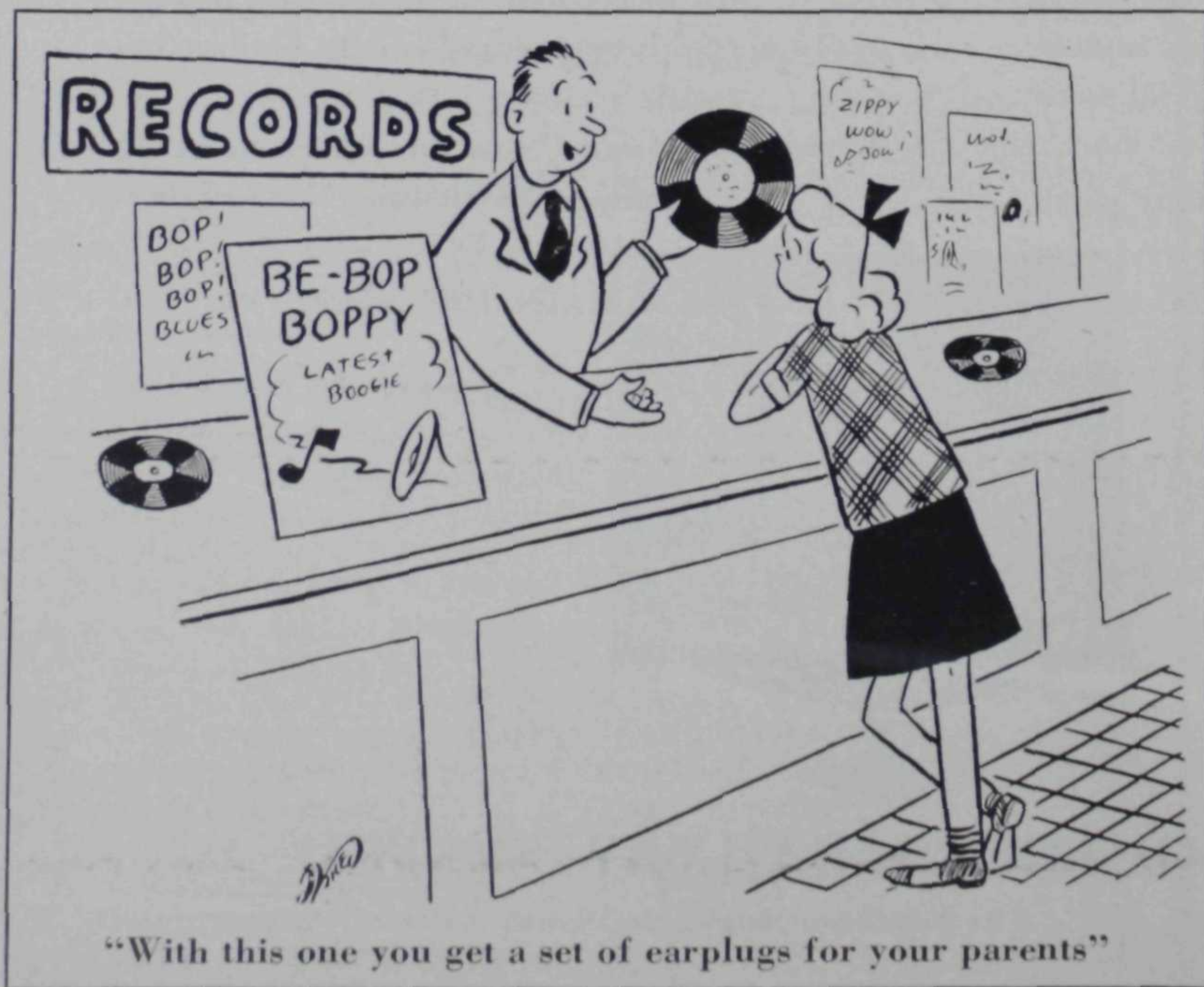
Another weakness in the British plan, one that is inherent in any socialized dental plan, is the intervention of lay personnel in professional matters where trained opinion is essential in the interests of the patient's health.

UNDER the 1946 Act, a dentist may proceed with certain limited types of dental work without formal authorization—examples are fillings, extractions, treatment of pain, normal denture repairs. But, if the diagnosis entails inlays, crowns, extensive gum treatment, extractions necessitating the supply of dentures and other types of treatment, the dentist must complete the necessary blanks and submit them to the Dental Estimates Board for prior approval.

This board is composed of seven dentists, not all of them working at it full time. It also has some 700 clerks. Now consider that up to May, 1949, the board handled 6,324,000 estimates, which poured in at the rate of about 10,000 a day. It becomes obvious that seven dentists could not handle this flow and that the power to grant or withhold approval on a professional decision must rest with the lay personnel.

Under this arrangement, indeed, there can be no assurance that the final decision will not be dictated by political or fiscal standards.

It becomes obvious that any gain the British Government obtained by making an impossible promise of total dental care could not be a social one, in terms of improved national health. Nor could it be a professional one, in terms of new opportunities to apply scientific principles toward the prevention and control of dental diseases. The



only conclusion one can reach is that the gain, if any, is political.

The Act is deeply involved in the political struggle in Britain, and no government—Conservative or Coalition—is likely to risk its security or its ambitions by attempting to abolish it, no matter how costly or inept its administration becomes. Political ambitions must not be discounted, either. The Health Minister's chance of advancement hinges largely on the success of the health program.

The American Dental Association has been on record as advocating that "dental care should be available to all, regardless of income or geographic location." It firmly stated that dental health is first the responsibility of the individual, with the family and the community following in that order. If the state or federal Government must be called on to assume the responsibility not otherwise assumed, the community in all cases shall determine its methods for providing service.

In extending care, rational use must be made of existing and predictable future resources. We cannot spend diseases out of existence. Nor can we, with legislative magic, abolish them.

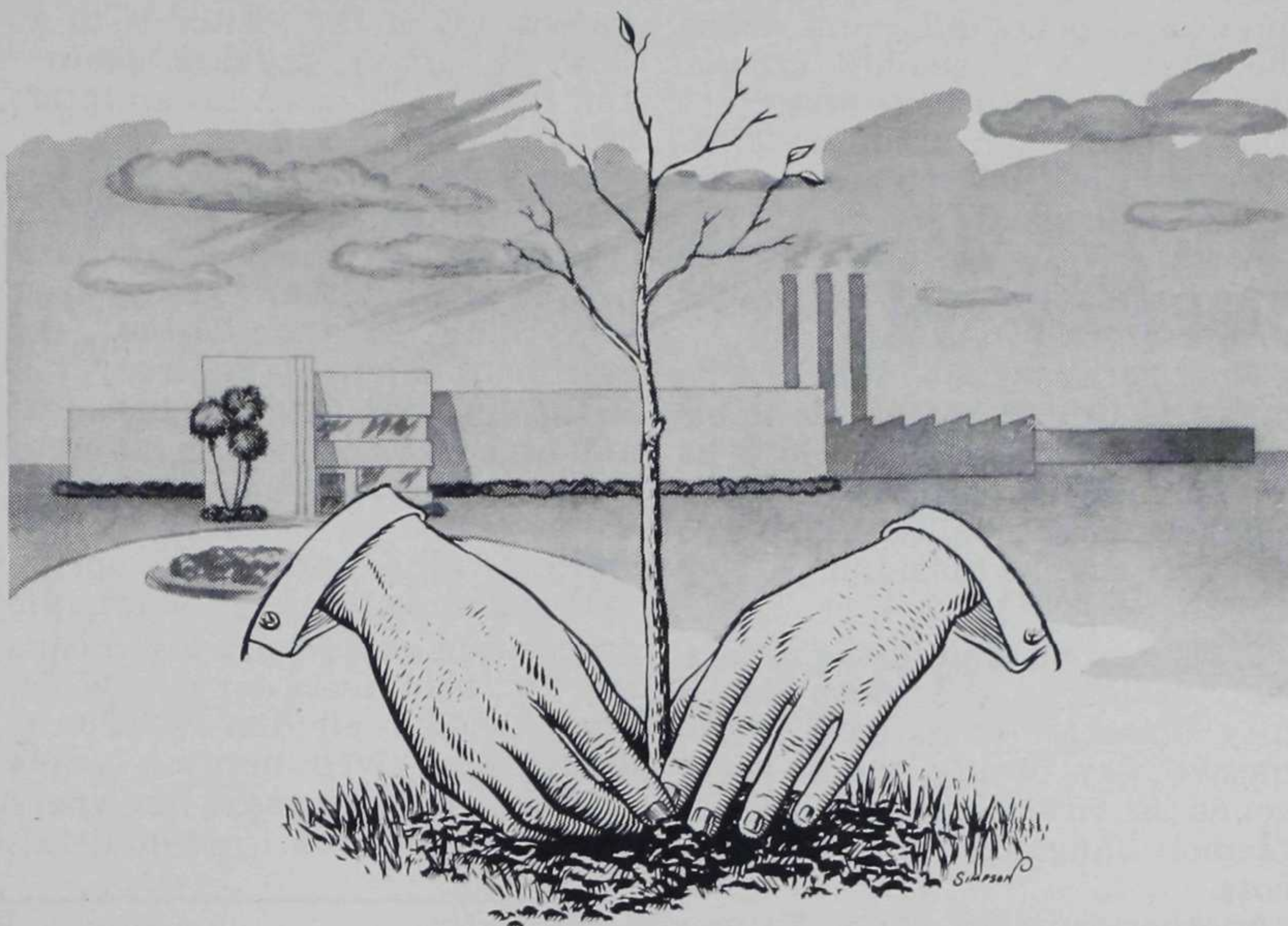
IN AN ideal world, dental needs would be matched by society's resources for handling those needs. In the United States today, where we can properly boast of the best dental service in the world, needs are far greater than resources. With the right kind of research, health education and care, we can move toward a better balance, but, even in the United States, rich and resourceful though we are, the 75,000 practicing dentists cannot meet the existing needs of more than 140,000,000 people.

Yet, in Britain, far less rich and less resourceful, an effort to legislate care overnight was made, with impossible results.

The best argument against socialized dentistry is socialized dentistry in action. This country must be alert to the danger of promising its citizens more than can be given under existing resources. Such a scheme is not only dishonest but also dangerous because it produces the political necessity of attempting to carry out impossible promises. And while this attempt is being made, the health service resources of a country are slowly being liquidated. Such a program can never improve the health of any nation. That, in my belief, is the lesson the British are bitterly learning.

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FLORIDA markets are expanding fast, and there's a ready outlet for the products of industry. Florida's population is increasing twice as fast as the national average. Individual incomes have climbed 207% since 1940, and retail sales are up 224%. Within 500 miles are 8,500,000 people, plus Latin American markets, easily reached from Florida's 11 busy ports. More and more business men are discovering that market-wise, Florida has what industry wants!

FLORIDA'S GAINS TOP U. S. AVERAGE

From 1940 through 1948, Florida's gains were well above the national average - - proof that Florida offers you bigger, better markets:

CATEGORY	% U. S. Gain	% Fla. Gain
Population	10	28
Individual income	172	207
Retail sales	185	224
Electric production	132	228
New construction	167	231
Bank resources	122	253



And just imagine living in Florida the year 'round! Florida's famous climate benefits business, too . . . workers are able and willing, and you'll be pleasantly surprised how low turnover and absenteeism are. Operating and maintenance costs are lower in Florida, too. Plenty of raw materials, transportation, sites, power, water.

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Please send me information on new business and industrial opportunities in Florida.

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(Specific questions will be answered promptly, confidentially. Write on your letterhead.)

Reminder: Latinos are People, Too

(Continued from page 35)

humor but great enterprise, astuteness, dependability and vision. The Peruvian is friendly, urbane, hospitable, a lover of pageantry, a man who through kindness is inclined to limit his remarks to the things you want to hear. The cheerful "Yes, we have it—but we're fresh out of it!" is a familiar phrase which is hard to resent.

The Paraguayan is one who loves the United States. He is bilingual, punctual, honest and, if he doesn't cotton to you or your product at first sight, hell and high water won't change his mind.

SO IT goes with all of the others. Each nation to the south has a salty character of its own, a distinctive way of life which transcends the visual superficialities of common language and common roots.

Another criticism of the Yanqui is his impatience with all methods but his own. Streamlined efficiency isn't always the millennium to South American executives. In general, here are countries of negotiated law, ten to 50 years behind U. S. technocracy, where each ministry or clearinghouse is its own little duchy. Taxes are so low that the average official can keep most of his money, and this makes him jealous of his tiniest prerogatives.

The code demands that *sub rosa* checks and balances flourish between agencies—to such a degree that men who get away clean with shenanigans are regarded with grudging admiration. Two months ago, when a Chicago industrialist joked as he was signing a contract, "If anybody in jail tomorrow looks like me, please bail him out!" the governor of the Republic turned to the mayor of the state capital and said, quite seriously, "Give Mr. Brown one of those special cards with my signature!"

Again, when a prime minister suggested that a North American tire manufacturer see the president about jobs in his new factory, he refused to set up the appointment unless his personal interpreter could go along to "help" during the interview. Combine this mistrust with the tradition that the Latin must always be the one to make the decision—to push him is to break off negotiations—and you'll understand why even the

most simple transaction usually drags on for weeks or months. The watchword of the visitor is to go slow, go slower, go slow again—and then settle down for an interminable wait.

Our seeming high regard for the dollar and our seeming low regard for the spiritual aspects of business is another fault. Money isn't everything to the *Latino*; the greenback might be his rent, but friendship and face are his meat and bread. His concept is different from ours, because the competitive flame seems to be almost nonexistent. Since most local operators are already in the black, the proposition *per se* usually means less to them than to you. When approached, their first reaction is likely to be, "Well, here's a couple of thousand extra pesos, but where does it get me? Am I not doing all



right now?" If it offers no element of aggrandizement or prestige, chances are they will turn it down.

But bring a man the plaudits of his community, and you'll have a customer for life. A New York turbine salesman met a stone wall when he tried to land the biggest account in a nation. During his third month of solicitation, when an earthquake clogged a national artery, he worked out a solution which had occurred to no one else. The problem was completely out of his line—a circumstance which happily worked in his favor. Taking the buyer aside, he showed him how to fly in, section by section, a fleet of river barges, financing

them without down payment on a graduated series of notes through the Export-Import Bank and the Bank of the Republic. The official passed along the idea to the president as his own—and when it broke up the log jam, the man became a national hero. That country now has more turbines on order than any of equivalent area in the world.

Fourth is our tendency to boast about Uncle Sam and to smile patronizingly about our "quaint little neighbors." "Quaint little" Argentina has, among other things, the biggest football stadium in the hemisphere, the tallest reinforced-concrete structure in the world—an apartment house—and an airport under construction which will make New York's Idlewild look like a cow pasture. Brazil's streamlined architecture is ten years ahead of anything we have, and her jungle suspension bridges, built by natives, hang for more than a half mile without a nail, wire, or bolt in their construction. In many fields, the Latin has earned the same right to call us "quaint little United States."

There is solid common sense, too, in many of the customs which seem anachronistic to the visitor. In the mountain capitals of Ecuador and Bolivia, for example, fireplaces stand idle while guests wear their fanciest furs to the dinner table. The newcomer is inclined to interpret this as ostentation—until he realizes that a cold is a disaster at high altitudes, that a change in temperature invites one, and that a fire takes oxygen from air that is already rarefied.

FIFTH is our offhand attitude toward women and dress. To women of the north, flattery from the male is considered an extra dividend, pleasant when and if it happens. But ladies of the south expect flattery precisely the way they expect ultraformality. The newcomer often has difficulty in voicing at five-minute intervals, "My heart is yours!" "Command me!" "I'm at your feet!"—just as the heel-clicking, finger-kissing, and other rituals seem a chore—but to the recipient, they are as normal, as necessary and as courteous as the simple act of shaking hands.

This also applies to clothing. If there is a quick way to lose a friend, appear at his office without a necktie, or have your wife clad in slacks when he meets you in the hotel lobby. Chile and Argentina are so formal that, on the muggiest day, they still look with horror on a

man without a jacket. Cuba is the only land in Latin America where the shirt—a tricky model called the *guayabera*—can be worn in all levels of society. Appearance is a mark of caste; when you turn out for business appointments in your most somber and conservative suits—black is best for your wife—they'll automatically take you for North American aristocracy.

THE sixth fault is our serene assumption that the English language is the settled medium of communication for the civilized world. Hungarians, Rumanians and Serbs might understand this foible, because they have always been minority peoples. But to the Spanish it is a discourtesy, and they resent it. Lack of knowledge doesn't matter, but lack of *effort* can make or break friendships. If you show that you are trying, the residents will go out of their way to help you. A Westinghouse executive once asked Ospena Perez, president of Colombia, the past participle of a verb which puzzled him—and got in return a 15 minute grammar lesson. Nobody expects mastery or even fluency from a gringo, but if he can use three dozen phrases of Spanish, Portuguese, or French in the proper nations, he'll open doors which otherwise are certain to be closed.

Several other criticisms turned up on this survey, and here is a brief recapitulation. Never refer to yourself as "American"; you are "North American" as they are "South American" and your monopoly of the word makes them bristle. Never start a letter with "My Dear Friend" until you have earned it; "My Esteemed Friend" or "Dear Mr. Gomez" is far less presumptuous to the literal-minded Latin. Never travel without a triple supply of the finest calling cards that money can buy, because you'll exchange them with every Juan, Dick and Harry, every one of whom will rate you on their quality.

Avoid political discussions like the plague—be polite, a good listener, but dumb. Take care with affectionate expressions like "You old hound!" and its more profane variants; the Spanish seldom banter in this manner.

Don't confuse the national games of these sports-crazy countries; baseball is safe anywhere, but mention bullfighting in Chile (where it has been banned for more than 100 years), cockfighting in Uruguay (where it is the height of vulgarity), or misplace other pastimes, and you'll feel as if

“The highest price any business pays for money is the price it pays for lack of it.”

Assuncion
FOUNDER AND CHAIRMAN OF THE BOARD,
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How to overcome the problem of limited working capital

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you've been holding your conversation in a deep freeze. And no matter how you think you are being cheated by taxi drivers, robbed by waiters or swindled by shopkeepers, don't ever make a scene. You're not a lordly Yankee but just another visitor—so forget it.

What might Johnson have done as a missionary for Middletown Plastics in South America? Assuming that he started on the right instead of the wrong foot, let's trace his campaign.

When he learns his itinerary, he goes to the public library for books on each country he will visit. These acquaint him with the magic names of Bolivar and San Martin, with historical glories of which the Latins are so proud, with proper clothing to pack, and with a hodgepodge of cultural minutia.

Then he makes the rounds in New York of W. R. Grace & Company, Pan American World Airways, Panagra, National City Bank, Moore-McCormack and other industrial firms with interests in hemispheric affairs. Here he is given the counsel of veterans, all eager to help in the hope of landing his future account. Contacts firmly established with their branch offices, he crams on Spanish lessons until his departure.

Should he wish to arrive in a splash of headlines, front-page stories can be arranged without effort or expense. But the time is not

ripe, so Johnson checks into the hotel minus the usual fanfare. For the first few days, until his orientation is complete, he guards his words like a clam.

The American Chamber of Commerce and the offices alerted by New York are his first stops. Here he is given accurate, up-to-the-minute information on the local situation, plus letters of introduction—a necessity everywhere—to people he wishes to meet.

National pride is also put to work by Johnson—the tantalizing fact that Colombia has three plastics factories, Chile seven, Argentina 29, and the present country none. He learns that the *mordita*—the “little bite” or bribe—must be handled with delicacy, and that no offer of funds can ever be direct. He wastes two weeks over coffee and liqueurs before the perfect moment arises when he can say, “Of course we'll be glad to pay your agent any necessary costs!”—and is relieved when his companion answers, without batting an eye, “They'll run about seven per cent.” He shows careful respect to the smallest bureaucrats, walks a tactful tight-rope between imperious agencies, and waits with patience for molasses-slow decisions.

When the green light is finally flashed, his first act is to retain the best attorney in the city. The Spanish language, bristling with double meanings, is the barrister's

despair and delight on the definition of *hacia*, for example—to the sea or toward the sea—currently hang millions of dollars in land titles.

The machine tools from Middletown are battled through customs on a classification scale studied in advance by the attorney. The manager with the best recommendations from the local offices is put to work, the first plastic specialties roll off the line, and Johnson is ready to take up the problem of Factory No. 2.

Had Johnson's eyes been open on that postwar junket, the reactions would today be different. When he put his arm around a customer's shoulders, hugged him warmly, and asked for the third time in six hours the state of health of each member of his family, the man would say, “That wonderful American!”—instead of “Those Yankees? All alike. . . .” When a customer turned over a dozen servants, a fleet of automobiles and private hacienda for his vacation, Johnson, the junior vice president, would say, “Swell people, these *Latinos*—grand as they come!” And, in the 1950's, when this Klondike to the south booms as it never has before, Charlie Smith would clear his throat, blush a little, then say with quiet pride, “Got a couple of factories down there—and, man, *that's* a business!”

Science Goes Down to the Sea

(Continued from page 50)

lar industry is getting back on its feet slowly, it is hoped that this study and others may protect it against future disasters of this type.

The Borden Company has had its own scientists at Bimini studying sharks as a source of vitamins to enrich baby food products. Several other commercial and industrial interests have done exploratory work in the area, seeking either improvement of present products or processes, or the discovery of new lines for inquiry.

Dr. Roger Sperry of the University of Chicago did significant work on the optic nerves of fishes—part of it at the Laboratory—and succeeded in taking out fish eyes and reversing them. His technique proved of considerable interest to the medical sections of the armed forces.

Another important study at Bimini concerned the mechanics of locomotion in fish. Industrywise,

it is not beyond possibility that this may prove one of the most fruitful inquiries launched at this tropical paradise. The application of energy by fish and marine mammals makes human beings appear puny by comparison. A medium-sized barracuda, for example will turn up four tenths of a horsepower of applied power, it was discovered. A porpoise, from a standing start half way out of the water, can leap clear by its whole length.

There is no comparison for this in the whole range of applied human muscular dynamics, but it goes considerably deeper than that. Studies in this bracket at Bimini have been classified by the Navy.

Altogether, 23 research projects were launched last year, and 25 are scheduled for the current year. While there is some overlap in this gross report, it is a fair indication of the speed with which scientists the world around are taking advantage of these facilities. Al-

ready applications for use of the Laboratory's facilities are on file from scientists in Cuba, South and Central America, Europe and Scandinavian countries, and while the scientific population of Bimini thus far has been preponderantly American, it is scheduled to become truly international in the years immediately ahead.

Expansion of present facilities is envisioned for the near future by the American Museum of Natural History, and steps are contemplated to make its support a matter of broader concern both among philanthropists and the business and industrial community. For the next several years, however, Dr. Breder has announced that no move will be made to increase the number of scientists who can be accommodated. An extension of facilities—especially the addition of heavy sea-going equipment which will permit deep sea studies at broader range—is regarded as the immediate need.

Bells, Bells

THE ROAD to Mandalay means more than a song to Nathaniel Spear, Jr., of New York City. On this almost legendary highway he first heard the musical tinkle of Burmese temple bells. Fascinated by the sound, he brought one of the bells back to this country and placed it on the mantel in his home, thereby starting what collectors claim to be the most extraordinary bell collection ever made.

That was 30 years ago when Spear, following his graduation from Yale, was on a trip around the world. Today, the walls of the huge living room of his New York home are lined with 936 specimens.

Spear recently made a trip to Mexico where he acquired a rare type of copper bell of the Toltec period (eleventh to twelfth centuries A. D.). The elongated, pod-shaped bell, in perfect condition, measures three inches, a rarity in size.

A group which he likes to display to friends are his ancient bells from Luristan, Persia. From the fifth century B. C., they are covered with a rich patina. In his Roman set are bells excavated from ruins in Austria and France, most of them with the clappers missing.

One of Spear's most valuable bells is seven and one half inches high with a Buddha-headed handle, the specimen carved from a piece of pale green jade. On another shelf are bronze bells from the Lama monasteries of Tibet.

Outstanding in the Chinese group is a Ying Ch'ing Yao porcelain bell of the Sung dynasty (960-1279 A. D.) with a blue-green glaze. Spear found many of the bells outside their countries of origin.

One French bell, for instance, which bears the tiny figures of Napoleon and his son, the Duke of Reichstadt, came from Granada, Spain.

But the bell which Spear prizes above all others is a small replica of the Liberty Bell in Philadelphia. The replica contains filings from the original when the crack in that historic object was controlled by the use of rivets.

When not busy with his hobby, Spear takes time off to be executive head of a furniture store chain which bears his name, with headquarters in Manhattan.

—FRANK LEWIS

The Answer to 35,000

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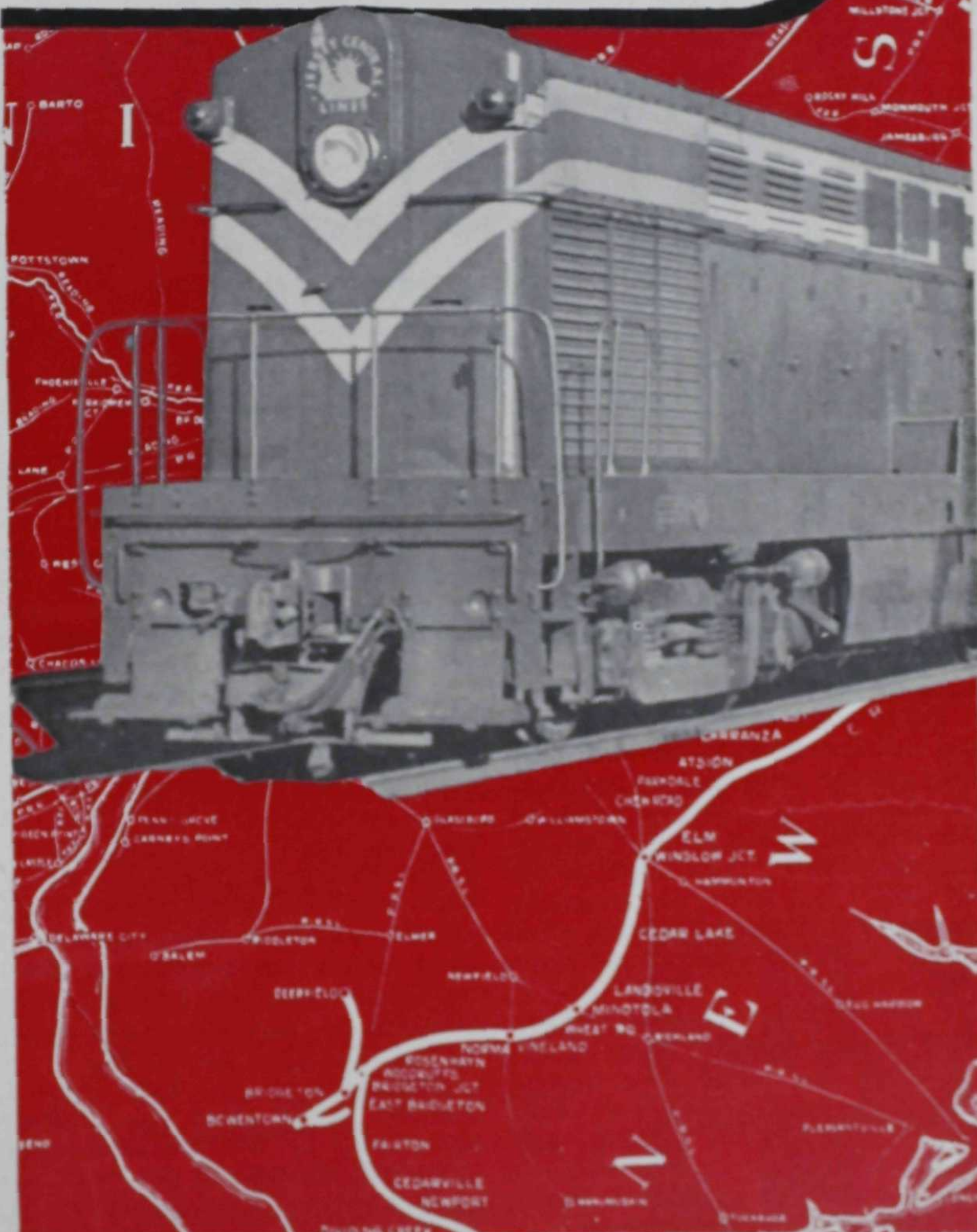
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The Price of Fixed Prices

(Continued from page 32)

furious rate. Macy's carried about 1,700 items under its own brand before the war. Now is reported to stock more than 20,000. Affiliated Retailers, Inc., a giant buying combination formed by some of the nation's largest group and independent retailers, is reputed to be doing a business that this year will gross almost \$1,000,000,000 at retail through its affiliates. That will be \$1,000,000,000 in business lost to fair trade brands.

Why aren't there more prosecuted violations of fair trade laws? is an oft-asked question. The answer seems to be that most of the retailers are legitimate in the sense that they respect their contracts, and those who are not fear the loss of selling franchises that are vital to their continuance in business.

Discount houses daily flaunt the fair trade laws with impunity, and are practically never named in suits instituted by fair trade manufacturers. These off-price merchants however have become a bone of contention.

This fall when the National Retail Dry Goods Association began publication of a bimonthly letter designed to engender better understanding between manufacturer and retailer, it devoted a good part of its first letter to the fair trade situation.

Department and specialty store merchants, advised the N.R.D.G.A., are becoming fed up with fair trade contracts that are not policed, except in large stores, or enforced, except where enforcement is conspicuous. It further hinted that if anti-fair trade legislation is submitted to the next Congress, this abuse will get a full airing.

There were 1,474,149 retail outlets in this country in 1935, and they carried thousands of different items, some of them fair-traded. Not only was it manifestly a physical impossibility then to police every outlet, but fair trade contracts now are breached in ways that would make punitive action more difficult.

If your corner retailer "knows you," he may shade a price on any item you buy, and it's a private matter between you and him. You're unlikely to protest, and you're less likely to bear witness. If you buy from a discount house, it *hopes* you will tell friends.

And while fair trade has thus been buffeted in practice, it has come under another attack on the political front.

A few months ago, Herbert Bergson, Assistant United States Attorney General, in an address in Los Angeles before a business group, urged the repeal of the Miller-Tydings amendment to the antitrust laws.

Bergson charged that fair trade enabled manufacturers to peg prices at artificially high levels. He added that prices are higher in every one of the 45 fair trade states than they are in the District of



Columbia and the three remaining free trade states.

In getting into the price question, Bergson touched on one of the most debated aspects of the fair trade controversy. Studies have been made to prove both sides of the argument.

Supporting Bergson's contentions is a recent comparison of prices in Washington, D. C., as contrasted with those fixed in fair trade neighboring Maryland. A popular shave cream sells for 29 cents in the Capital and 39 in Maryland; a standard drug item retails at \$2.29 in Washington and \$3.15 in fair trade territory, and a well known alcoholic potable is obtainable at \$5.45 in Washington and \$6.65 across the border.

According to the same source, another study gives the impression that of 117 branded drug items surveyed, 35 cost 33 per cent less in Washington than in Maryland, 38 were 25 per cent lower in price

and 29 were about 14 per cent cheaper.

On the other hand, a study released by the American Fair Trade Council maintains that consumers in non-fair trade Missouri pay 2.5 per cent more for popular-brand products than do consumers in nearby fair trade Kansas. And the same source contends that fair trade prices of 7,334 items rose only 3.1 per cent between 1939 and 1947. What's more, the Council says that over-all prices under fair trade had dropped one per cent in 1939 from pre-fair trade depression prices.

This latter contention is said to be based upon a study made by the University of Minnesota and published by the Druggists Research Bureau in 1940. The study was said to have analyzed the effects of fair trade on prices of 50 leading trade-marked products in 42 fair trade states.

Opponents of fair trade dispute these contentions. They allege that favorable comparisons were readily obtained by a simple, if devious, method. Before fair trade became virtually universal in the '30's, they assert, many so-called suggested prices were observed chiefly in the breach. They claim that a comparison of fair trade prices and prevailing prices would show consumer's costs rose perceptibly.

Fair trade laws in this country originated in California in 1931, but the principle of fair trade dates back at least to the early part of the nineteenth century when a booksellers' association was formed in London to rid themselves of a certain James Lackington, Esq. Lackington aroused their ire by selling books for cash below publishers' prices and he prospered. By 1850, 35 years after Lackington's demise, the association still was agitating to enforce the sale of books at publishers' prices, and the object of its attack was a John Chapman, 142, Strand.

Chapman defied black-listing, and called a meeting of authors. On his side were such well known scribes as Charles Dickens, Thomas Carlyle, John Stuart Mill, William Ewart Gladstone, W. Wilkie Collins and others of scarcely lesser note. After protracted controversy, the matter was submitted to arbitration. The arbitrators found that price-fixing was coercive in spirit, and protective at public expense. In consequence, the booksellers disbanded their association and fair trade died, only to be reborn later.

Fair trade laws' incubation period in the United States was

that of the depression when low price levels made gross margins shrink, and competition became greatly intensified. The laws were chiefly sought by interests in the drug, package liquor and book trades.

Up to now, many small retailers have regarded fair trade as their sole and vital protection against the bigger stores that may operate at lower costs but are denied the right to pass on their economies to consumers. Many are frank to admit they support the laws because they tend to limit competition.

It's this feature of the fair trade laws that may prove to be the most explosive.

John D. Clark, a member of the President's Council of Economic Advisers, on July 13, told a House judiciary subcommittee investigating monopolies that, in his opinion, the Miller-Tydings Act should be repealed.

He charged bluntly that the Act provided "an open door on price-fixing" and he added that state fair trade laws "undertake to prescribe a formula to determine what is a fair price for a commodity and to prohibit the aggressive competitor from selling below that price."

Although fair trade laws ostensibly are aimed at loss-leader tactics, Clark pointed out "state laws are generally so liberal in requiring a price which covers all overhead and some profit, that if all retail pricing could be put on that basis there would indeed be only happy days for retailers."

This situation has caused some of the original proponents of fair trade, notably retail druggists, to wonder whether the laws are starting to backfire. Many merchants report that fair trade offers such advantages to dealers that everyone wants to get into the act. Supermarkets are expanding their drug lines, druggists are seeking to exclude proprietary medicines from shops without pharmacists' diplomas and drugstores themselves are diversifying their stocks to such an extent that more than a few are midget department stores.

Lately, a suggestion has arrived from England which might provide more food for worry. After its inauspicious start, fair trade or price maintenance, as it is frankly called, was revived 38 years ago in England. Foreshadowing events in this country, it dug its deepest roots in the proprietary drug trade.

Assuring druggists a profit of 20 to 30 per cent, English pharmaceutical manufacturers discovered to their dismay, attracted thousands

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of newcomers to their field. Now, they are thinking of demanding that manufacturers limit their distribution to drugstores and would black-list the products of hold-outs.

But the black-listing works both ways. Recently a New Jersey tavernkeeper sought to reintroduce that old American institution of the nickel glass of beer and promptly was refused deliveries by the same breweries that had been glad to supply him as long as he held to the price of a dime.

Similar cases have been reported in other parts of the country. These may help to explain the fears of certain retailers that it's just a short jump from the fixing of minimum prices to determining which dealers can and which cannot carry fair traded items. This has already occurred in England.

The fair trade laws won their widest adherence during the depression of the '30's and in an era when regulatory devices sought artificially to counter a deflationary trend. They were ignored during the subsequent boom, but the question still remains whether they can stand the test of time in an economy that depends on competition and profits for its motive power.

During the 1920-30 period which fair trade advocates deplore, approximately 300,000 retailers were put out of business. The implication is that this was before fair trade came to their succor. They

fail to note how many retailers were put out of business from 1930-40. Actually only a small percentage of retail failures can be traced to competition. Studies have placed the percentage as low as 1.5.

What of the argument, pro and con, about fair trade? First, it has been described as a "weapon" against monopoly. But the question has been put, "Isn't the power to control price by direct or indirect means actually the essence of monopoly?"

Fair trade has been defended as a means of protecting the established good will of a product. Yet, it may be invoked to maintain the price of a product introduced for the first time to the market, and as yet unknown by name or quality.

We have justifiably made much of the fact that our system of free enterprise rewards the worker with more goods of better quality for his work hours than any other system.

Does fair trade permit prices to find their true levels in free and open competition? Those who answer in the negative point out that frozen retail prices deny the consumer the benefits of the lowest-cost and most efficient retail operations.

Although as the American Fair Trade Council has stressed, fair trade articles must be in "free and open competition with articles of the same general class produced by others," no machinery has been set up to determine when they fall

Private Surgeon to Birds

HANDSOME, capable Idella G. Manisera of Los Angeles has been acclaimed the top bird surgeon in the country. Using an instrument kit no larger than a gift manicure set and a desk top for a surgical table, Mrs. Manisera each week operates on approximately 100 canaries, parrots, parakeets and love birds and sends them off to convalesce in a fully equipped hospital ward, complete even to treatment charts.

In the past 39 years, Mrs. Manisera has saved more than 100,000 feathered lives. Her career developed when she began treating the exotic foreign birds her father fancied. A frustrated medical student—in an era when young women did not become doctors—Mrs. Manisera has had no formal

training, merely the skill developed through long experience.

The bird hospital is housed in a downtown Los Angeles residence. Katsie, a Maltese cat, is an interesting member of the hospital staff. Trained to kill mice but to protect birds, Katsie has never in the nine years of her life been victim of what would seem a natural confusion as to her function.

Mrs. Manisera's success has reached the point where she can choose the most difficult cases among those brought to her. She has never charged for treating a wild bird. "Guess if folks are nice enough to take the trouble to bring 'em, I can afford to treat them for free," she says.

—FAVIUS FRIEDMAN
AND JANE SPALDING

into that category, and there is little likelihood that any will be set up.

These arguments are neither unfamiliar nor resolved. And if price-fixing does not mean price-raising, it hasn't meant price-lowering, either.

We seem to be moving into an era in which small business will be baited with an assortment of protective devices, real and imaginary. One of these, for example, is the still unacceptable antimerger law designed to prevent small businesses from growing into large ones.

Gratifyingly enough, this bill has run into surprising opposition from small business. The small business man deems it his right and hope to look forward to the day when he can become big by making a better product or pre-empting with a lower price.

Enlightened business men are suspicious of anything smacking of statism. They know that when "protection" runs amuck, it leaves in its wake a bureaucracy which may be inclined to perpetuate those who are politically dependable and to let others wither on the limb.

Fair trade unquestionably protects, but there is some disagreement about whom it protects from what. If it "protects" the consumer from lower prices, it may look for breakdown and ultimate repeal. If it "protects" the retailer from free and open competition, it may expect little aid and comfort from the electorate.

As the guns open up, it is plain that fair traders have popular sympathy, if not for their law, at least for their concern for the little business man.

It is far bigger than a question of economics. A public which accepts minimum wage acts, supports prices for multi-billion-dollar crops, Point Four appropriations and Marshall plans for foreign countries, will find no philosophic outrages in proposals for fair trade enforcement in some form.

Even if fair trade loses the legislative battle, the problem will still remain for the business community: What is the place of the small independent merchant in our competitive economy?

To get the Government out of the matter, business men must find their own solution. Manufacturers who need both the small merchant and the giant distributor, must shape sales policies which are fair to both. Vague as the prescription is in individual application, that is where the issue joins.

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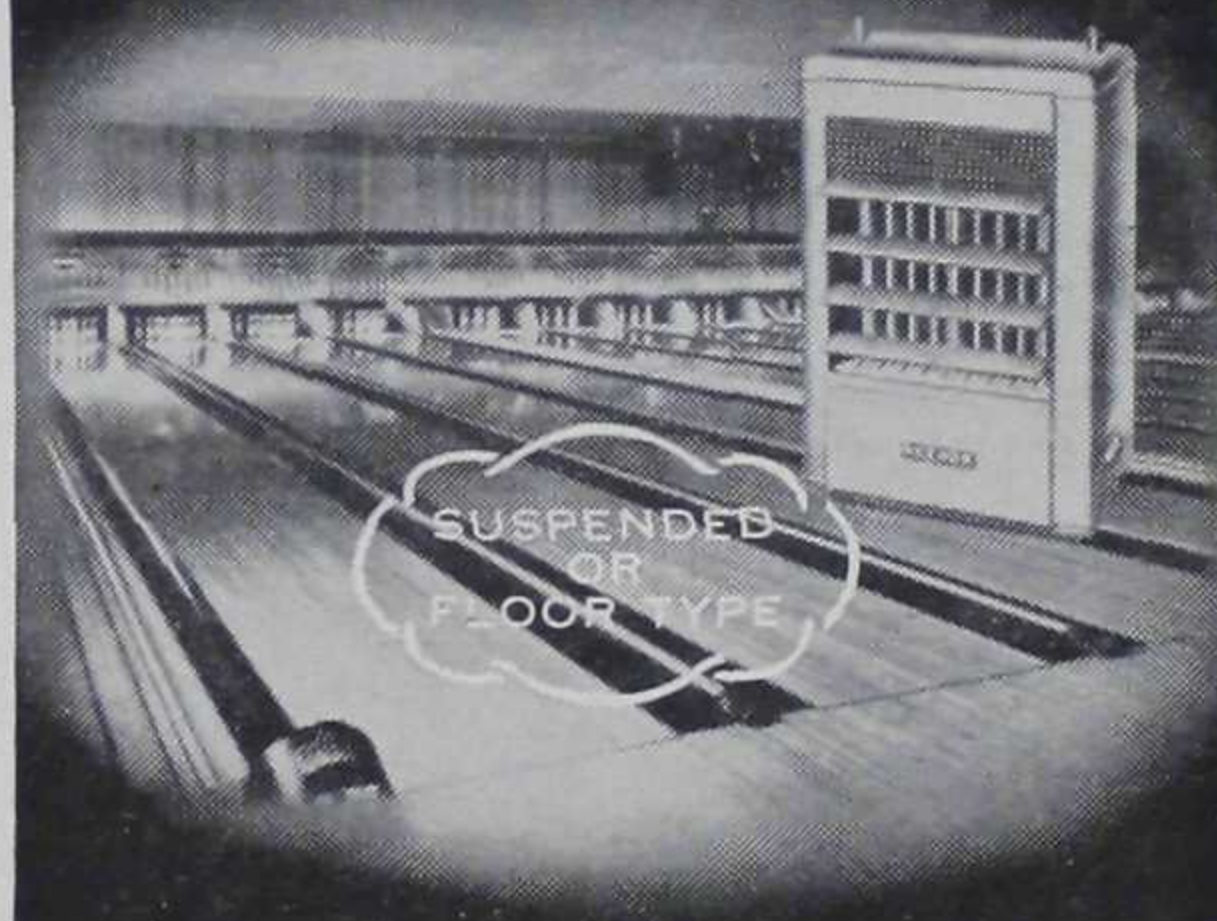


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Uncle Smilie's Miracle

(Continued from page 44)

station is a diner run by Fred Cory's widow. Cathy Mae is a good soul with a heart as big as her bosom. Many's the meal she handed out to Uncle Smilie. Cathy Mae has a sign in front of the diner. It went on and off to attract attention.

Uncle Smilie is standing there with the receiver to his ear looking through the window.

"Quick, Mr. Broadbent!" the announcer yells.

"Eats," Uncle Smilie says suddenly.

"What's that?"

"Eats," Uncle Smilie says again.

"He said it!" the announcer tells the world in a voice filled with loud, enthusiastic awe. "You are absolutely right, Mr. Broadbent! The giant jackpot, with all its wonderful gifts, will soon be winging its way to you. Keats is the correct answer! Telephone Treasure Trove congratulates you, Mr. Broadbent! Now tell me, Mr. Broadbent, how does it feel to be the proud possessor of an airplane, a \$7,000 mink coat, a complete six-room house, an automobile and all these other wonderful gifts?"

"There's a car out at the pump," Uncle Smilie says hurriedly.

He hung up.

Being the kind of a man he was made the story news. But what really made Uncle Smilie a national institution, before Christmas Eve that is, was the innocent way he stumbled into all those prizes. Newspaper reporters and photographers came from all over. The *Pendroville Call* used up the whole front page telling all about it.

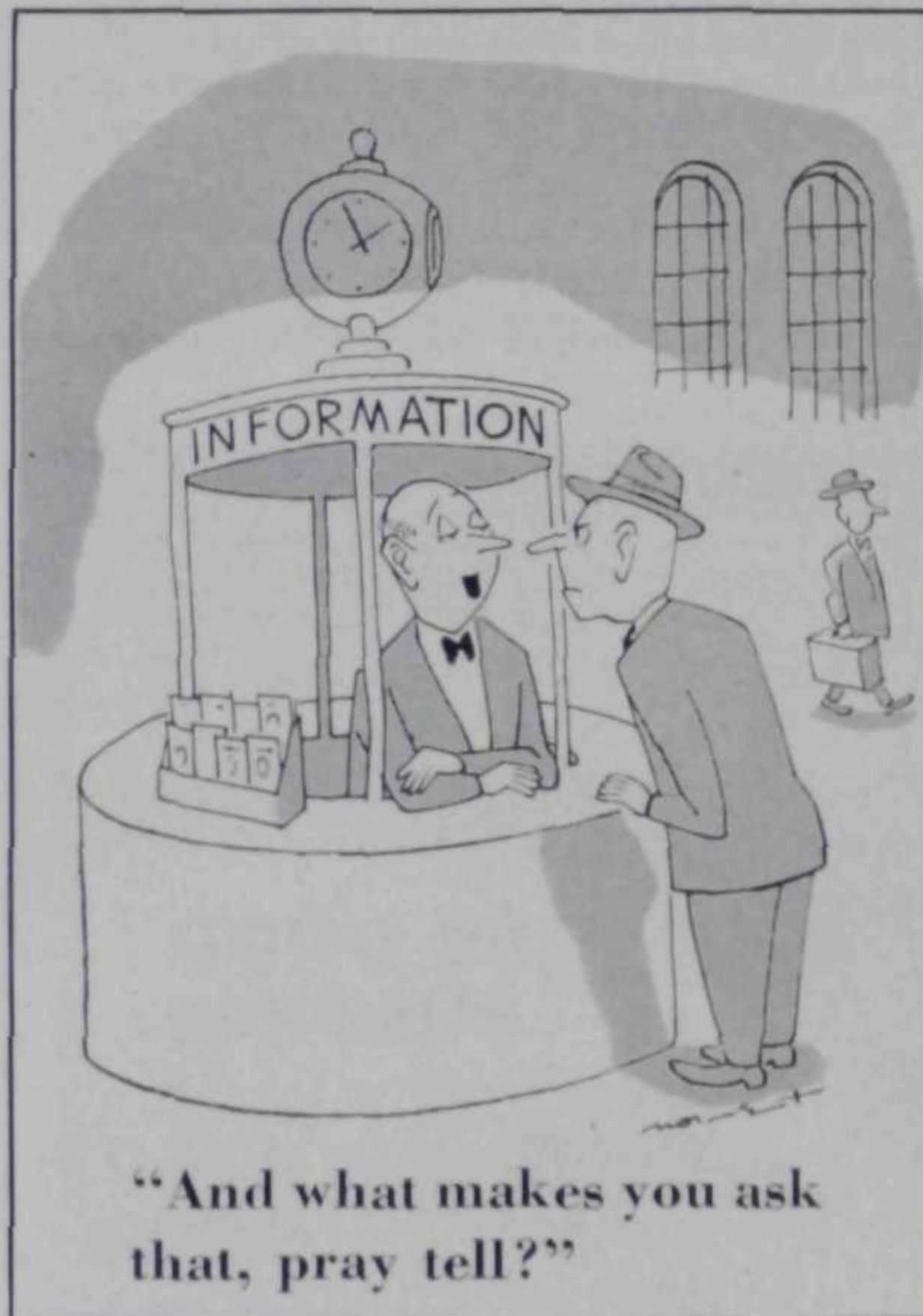
Burt Powers, being president of the Chamber of Commerce and looking at it from the civic angle, tried to get the old man to move into the Richmond Hotel, get shaved and put on a new suit donated by Barker Bros., the department store. But Uncle Smilie wouldn't have any part of it. In fact, for the first time in the memory of the town the old man got downright irritated when people slapped him on the back, or tried to sell him stock, or kidded him about flying around in an airplane dressed in a mink coat and 60 pairs of nylon stockings. In fact being a national institution seemed to fret Uncle Smilie a whole lot.

And then, all of a sudden, he got over it. A man from the newsreel

people came to Pendroville. He wanted to get a moving picture of Uncle Smilie talking over his good fortune with Grover Cleveland, telling all the world what he was going to do with all the truck he won.

Uncle Smilie had got downright cross at all the people taking his picture and asking him for interviews but this newsreel man didn't hardly have to pester him at all. He didn't even keep sliding away from the proposition the way he always kept sliding away from uplift and self-improvement.

So they posed him with the old dog. He hadn't changed so much that he got dressed up or had a shave. He just sat down on his favorite oil can with that gray hair he had left standing up on his oyster-colored head like a skimpy



helping of that cotton candy they sell at the circus, and sucked away at an inch of stogie.

But what he said for the sound track didn't please the man from the newsreel. It wasn't funny like he hoped and it didn't make much sense.

Uncle Smilie said:

"I lived in this town for nearly 60 years. I tended my own business and never asked anybody for anything. Then I got mixed up in this radio thing. It wasn't my fault but there it was."

Grover Cleveland barked.

"They wanted me to go to New York," he went on saying, "an' get on the radio. They wanted me to tell everybody how happy I was

because I didn't have a minute's peace any more. Well, sir, it made me pretty mad."

Grover Cleveland panted sympathetically. Uncle Smilie reached down and scratched his ear absently.

"I ain't a religious man by nature," Uncle Smilie went on finally. "I ain't been in church since I was a kid. I would sit an' stare at the minister and smell the perfume my mother used to buy from the peddler."

Grover Cleveland nodded his long head sagely.

"But there are things that happen that make a man think. Some people call 'em miracles like that spider web over the cave when Christ was born and that Star that put the Wise Men on the right track as it were."

"Are we shooting a Christmas carol or something?" the guy at the camera whispers to his pal. "This old snook is as nutty as a candy bar."

Uncle Smilie don't hear anything. "I guess the great thing about one of these miracles," he rambles on, "is that you don't have to be the president of a bank, or go to Rotary or own a feed mill to have one happen to you. A good first-class miracle, as you might say, is as common as dirt."

Grover Cleveland barked loud.

"For God's sake, get this character back on the beam," the camera man begs his friend. "Ask him what he is going to do with his loot?"

So they stopped the camera and explained to Uncle Smilie what they wanted him to say.

But Uncle Smilie wouldn't tell them.

He wouldn't say anything more about the miracle either.

Grover Cleveland seemed to know all about it. Anyway he kept on barking.

They wrote and asked Uncle Smilie where he wanted his prizes delivered. The old man wrote back and told the sponsor to hold on to them until they heard from him.

Preston Sibble offered him \$1,500 spot cash for the automobile. Abbie Ruth Houghton wanted to give him \$2,700 for the mink coat and \$100 for the silver fox cape. Bud Park's wife wanted the 60 piece set of sterling silver.

Uncle Smilie was polite enough but he turned them all down. Abbie got pretty mad. She raised her offer to \$3,000 but Uncle Smilie still said no. Preston Sibble didn't raise his offer but he did wonder if the best way to look out for the poor old codger's future wouldn't

be to have a guardian appointed for him.

By this time it was the middle of December. The newspapers—outside of Pendroville—had dropped Uncle Smilie for more important national institutions.

But this didn't seem to bother Uncle Smilie none. He just went on like he always did, amounting to nothing. Only he seemed more pleased about his shiftlessness than he used to be. But he still wouldn't talk unless it was to Grover Cleveland and the dog wasn't telling any tales out of school.

It wasn't until Christmas Eve that folks found out what Uncle Smilie was going to do with all the stuff he had coming. Cathy Mae Cory was the first one to find out.

Uncle Smilie went over to her diner about six o'clock, like he always did, and ordered a plate of wheat cakes, these being cheap and filling. Cathy wanted to make him a little Christmas present of a T-bone steak with French fries and apple pie but Uncle Smilie shook his head.

"No sense in getting used to things you can't afford," he told Cathy. Then, after he finished his cakes and mopped his stubble with one of Cathy's paper napkins, he said:

"Cathy, a mink coat ain't only stylish, it's mighty warm."

"It ought to be for all that money," Cathy says with a smile.

"You're going to look mighty pretty in it," Uncle Smilie says.

"Me?" Cathy starts to laugh. Then she stopped. She stared across the counter. Uncle Smilie was grinning and nodding. "Merry Christmas, Cathy," he finally says. "The coat will be along in a few days."

Cathy opened her mouth. Uncle Smilie knew what she was going to say.

"I'm 73 years old, Cathy," he tells her. "I ain't given anybody any pleasure by myself for more'n 55 years. Don't spoil it for me, Cathy."

Well, Cathy she started to cry. She never had a fur coat all her life. When she got over the spell and wiped her eyes, she started to say that she couldn't take it and Uncle Smilie should sell it and put the money in the bank but something about the way the old man kept looking at her made her change her mind. She started to cry again.

When she got her eyes out of the apron, Uncle Smilie was gone.

He went to see Ned Rice's widow, driving an old 1939 Ford phaeton that Bill Oakes lent him once in a

while to go fishing and the like. Rice died right after his livery stable burned down. He wasn't much of a business man and all he left was mostly debts. The widow lived in two rooms in the old Andrews block on Main Street and worked out.

Uncle Smilie told her he'd come around to pay the rent for the 20 years he had spent sleeping and living around the livery stable.

"It amounts—exactly—to a six-room house complete with furniture an' \$5,000 in cash," Uncle Smilie tells her. Then before she can cry or faint, Uncle Smilie wishes her a Merry Christmas and scoots back out to the Ford.

Take it all in all that was quite a Christmas Eve in Pendroville. Bill Oakes got the four-passenger

Few people do business well who do nothing else.

—Lord Chesterfield

airplane. Carrie Weeks got a two weeks' trip to Sun Valley and the silver fox cape to make her look sharp on the trip. Carrie was a schoolteacher. In 1934 she gave Uncle Smilie an old leather wind-breaker that had belonged to her brother.

There are three churches in Pendroville. Uncle Smilie was never in any of them, not being a religious man like he said. But they each got \$500 and the YMCA got a television set. Joe Boylan who worked steady for Bill Oakes got the \$500 genuine Sweetheart diamond ring. It came in real handy, him being engaged to Agnes who was Cathy's counter girl during the daytime.

Doc Bliss got the automobile. Uncle Smilie and him were friends from the old livery stable days and Doc certainly needed it, not being the fashionable doctor of the town since Alex Carter's nephew set up to practice after coming out of medical school.

And it went on like that with Uncle Smilie saying his piece and rushing out so he wouldn't have to argue about what he was doing and why. It took the old man the better part of four hours to get rid of the other things he had on the list. It was one of those still, cold nights and the curtains on the old Ford flapped and whistled, most of them having no isinglass left in them. But nothing seemed to bother Uncle Smilie. He kept whistling, and Grover Cleveland, who was along, barked and the two of them acted as if it was as comfortable as the Fourth of July. Maybe the little

nip Uncle Smilie took now and then had something to do with it.

Word gets around pretty quick in a town like Pendroville. Most of the important people didn't hear about Uncle Smilie's trip because there was a dance out at the country club but they did hear about it down to the Baptist Church. The Reverend Mapes came in and told them about the \$500 the church got while they were singing carols.

The way the reverend talked about the lesson everybody might learn from Uncle Smilie gave Ed Willison an idea. The whole congregation, and there must have been 200 of them, started out for Bill Oakes' place. A lot of folks joined up along the line of march. It got to be a pretty big procession by the time they got to Bill's place.

When Uncle Smilie came driving in, the colored lights, strung up around the filling station, lit up his leathery face like the old man was on a stage or standing in front of a stained glass window in a church on a bright summer day.

Before Uncle Smilie could get the Ford back to the garage the crowd opened up with "Silent Night, Holy Night." And then Ed led them with "Hark! the Herald Angels Sing" and a lot of others.

In a way it was funny as well as solemn. Here was Uncle Smilie, rushing away from folks because he was afraid that they would act like Cathy Mae. Break down and cry that is. But now, when all they were doing was singing hymns in his honor, all he could do was just sit there in the old Ford, clutching Grover Cleveland, while the tears ran down through the silvery stubble of his beard. . . .

In all the excitement of Uncle Smilie getting to be a national institution again and being picked out for the Man of the Year, people forgot the miracle he had been talking about for the newsreel. Or maybe they just figured the old man meant the radio announcer, mistaking Eats for Keats, was a miracle.

Only Cathy Mae knew the rights of it. And truth to tell she didn't connect up what she told Uncle Smilie, a few days after he won the Giant Jackpot, with any miracle. That is for a long time afterwards.

But just the same it was a fact, like Cathy Mae told Uncle Smilie as soon as she remembered it. He couldn't have seen anything except the lights inside the diner, or maybe a star. Something was wrong with the electric wiring of that sign that night of the broadcast.

It wasn't even working.

Forests Get Out of the Woods

(Continued from page 38)

ture to build a sound and workable forestry program. What they've done may point a way toward better utilization of forests and other natural resources—coal, petroleum, minerals, fish, soil—in other states.

These are the six Paul Bunyan steps taken in California:

1. Reorganization of the State Board of Forestry: Previously, members had been appointed by the governor and served at his whim. With each new administration, the board walked the political plank en masse. Today, by state law, a four-year term has been established. Terms are staggered to maintain continuity.

To supplement the state board and to provide the necessary "grass roots" contacts, four timber districts were created, according to the type of lumber produced: the North Sierra pine region, the South Sierra pine region, the Coast Range pine and fir district and the redwood area. Four timbermen from each district, assisted by a forest technician from the State Division of Forestry, make up a district forest practice committee.

These advisory groups are supported to the hilt by the state board:

"You join us in making the rules," Rosecrans told them. "If two thirds of the ownership of the land approves by vote, and if we deem them adequate, we will declare them to have the force of law."

2. Fire-fighting Responsibility: There are eight forest-fire-fighting outfits in California—one state, one federal and six county. Before 1945 some borderline blazes actually destroyed valuable timberlands while the three agencies squabbled over who should put them out.

In 1945, however, the legislature authorized the State Board of Forestry to determine by survey the forest, watershed and range lands for which the State would assume the protection responsibility. In general, it includes the "middle layer" between the U. S. Forest Service lands in the higher mountains and the farmers' fields and orchards in the valleys.

The State Division of Forestry acquired new fire trucks and bulldozers, initiated a state-wide short-wave radio system, added

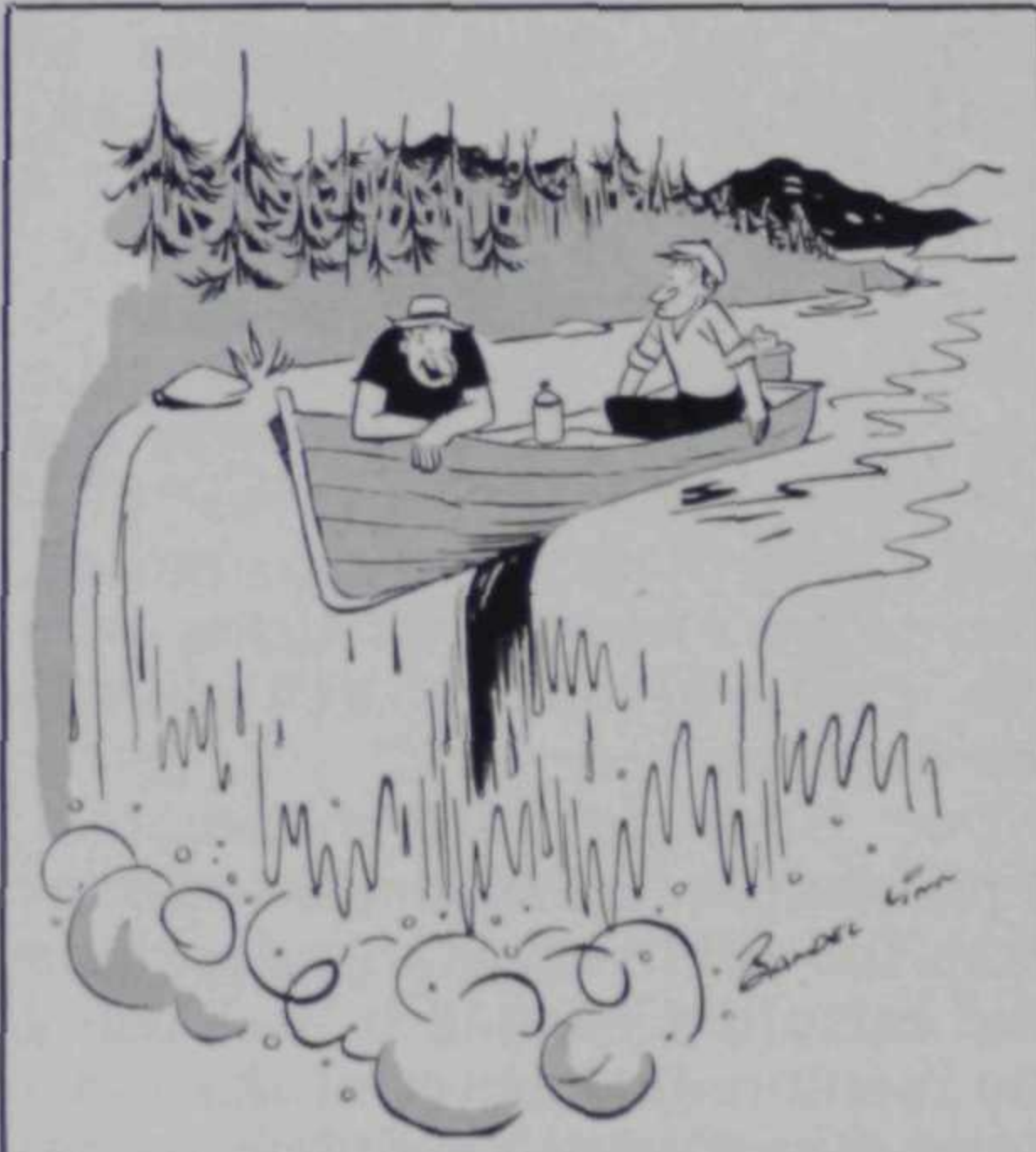
mountain lookout stations and acquired additional part-time help during the dry summer months.

It also concentrated on an educational program aimed at the 4,000,000 newcomers in California since 1940. A contest among school children produced the catchy slogan—"Keep California Green and Golden"—which is hammered home by radio, newspapers, billboards, magazine articles.

Last year fires on state-protected lands were 1,455 fewer than in 1947; 1,867 fewer than in 1946; and 2,163 fewer than in 1945.

3. Forest Practices Act: This Act put into operation the machinery for developing a code of rules to reduce waste and to insure a stable lumbering industry.

The cooperation of the lumbermen in this program, once it got rolling, was encouraging. When they realized that rules were designed by forest practice committees made up of private timber owners and operators and that they weren't being harassed by



"I want to congratulate you, Ed, you found that lost waterfall"

arbitrary and confusing laws, lumbermen often maintained higher standards than the rules required.

For example, in three districts rules require that trees less than 20 inches in diameter be left standing. Some operators today are not cutting trees less than 40 inches—figuring that this kind of long-range conservation will pay off in the future.

The Act has another feature which makes for peace and co-operation by the lumbermen: Forest practice rules designed by in-

dustry and approved by the Board set the tempo for all forest practices in the woods. The Board, however, is empowered to accept "alternate plans" if they promise equally good results.

For example: Instead of piling and burning slash in the fall after cutting, as the forest practice rules require, two of the state's largest timber operators proposed to "lop and scatter," as they had done for many years. Winter snows would crush and rot the slash, they maintained. Extra guards would prevent fires.

The district committees and the state board also give consideration to "hardship cases." Say a small sawmill owner who has been in operation for ten years figures to shut down in about a year and a half. Under present laws it would cost him \$10,000 to \$15,000 to install a burner to dispose of sawmill waste.

His "alternate plan" is to clear the area 100 yards in all directions from the mill, install extra fire-fighting equipment, activate another pump to make additional water available. The owner saves a large chunk of money, the fire hazard is no greater and the state board gains another friend.

"We have made no great effort as yet to enforce the forest practice rules by court action," Rosecrans says. "We have depended almost entirely upon education, explanations and interviews. We are getting better than 80 per cent compliance now—and we think that is a pretty good start."

4. Forest Insect Control: For years the ravages of forest insects went unheeded so far as California was concerned. It was estimated that—from 1935 to 1945—insects destroyed enough pine timber alone to keep all of California's 900 sawmills working at top speed for one year. Today, with the passage of the Forest Insect Control Act, pest losses have been checked.

Under previous laws every timber owner had to be served—as in a lawsuit—so that his share of the expense could be collected or a lien filed against his property. Sometimes it required months to round up all absentee owners of small tracts. Meanwhile the insect menace continued to spread.

Now, when evidence of damaging insects is spotted, the area is immediately "defined and declared." Costs are allocated—on a 50-50 basis between the state and the timber owners—and the cash raised from the larger operators in the area. They don't mind pay-

ing for a few infested trees in small tracts whose owners can't be located.

"Through this kind of speedy action," Rosecrans points out, "we've checked the destructive pine beetle in California because we could get at it in a matter of days rather than months."

5. Forest Survey: In cooperation with the U. S. Forest Service, the State Division of Forestry in 1947 began an aerial survey of all timber lands in the state. More than \$250,000 has been appropriated as the state's share of the work. It's a tremendous job in which aerial photos are converted into maps showing types of timber stands, vegetation and soil conditions.

Although the job will not be finished until 1952, the first of these maps went on sale last June. In two months, more than 150 atlases (\$1 each) and approximately 1,400 forest and soil maps (21 cents apiece) were sold.

6. Range Improvement: Fire has done great damage to forest and watershed lands. Some of these blazes were set by stockmen who wanted to create better grazing land. The board recognizes that fire can be used as a tool to clear brush lands—if carefully controlled and if properly reseeded.

Since 1945 the state has developed a comprehensive range improvement program which has checked the rising number of incendiary fires in forest and brush areas.

Reseeding pays off. Last year in Tulare County, one rancher found that it took 80 acres of brush land to support one mature beef animal; after the lands were burned and reseeded, only four acres per animal were required.

Previously there had been serious conflicts between the forestry board and the livestock interests. Rosecrans decided to apply the same "grass roots" technique to this situation as he had done to the lumbering industry. Subsequently a 20 man range advisory committee was set up.

One "chronic burner," long opposed to any kind of controlled range burning, recently vowed "to raise hell" at the next meeting of the advisory committee and "get rid of all these lousy rules."

He tried to get other stockmen to go along with him but he invariably ran up against the reply:

"We have no quarrel with the State Board of Forestry. We think they are doing a good job."

In the six-point program that has been followed since 1945, the

University of California has played an important role. For the first time, the dean of the University's College of Forestry now sits as an ex-officio member at all meetings of the state board. Enrollment of students has been stepped up so that more than 200 young foresters, with degrees in forestry science, are now working for the State Division of Forestry and private lumbermen. A new \$1,000,000 forestry building on the Berkeley campus was one of the first of the university's postwar buildings to be constructed. Soon to be built is a \$670,000 forest products laboratory which will seek new uses for the 60 per cent of the tree that is wasted.

What is it costing California to solve a national problem at the state level? In 1944 the state budgeted an inadequate \$1,500,000 for its forestry program. Today it spends \$8,000,000 and the citizens consider it a sound investment.

Naturally, not all forest, range and watershed problems have been solved in California. But more sound forestry has been put into practice during the past five years than in the preceding 25 or 30. This has been due, largely, to Rosecrans' three-point method: 1. getting the cooperation of timber owners, cattlemen and sheepmen, 2. framing, with their help, flexible rules, and 3. administering them at the state level.

As the nation's No. 1 consumer of timber (560 board feet per capita as compared with a national average of about 275), California is using about 4,000,000,000 board feet a year. Its tree crop is increasing only at the rate of 1,500,000,000 board feet annually. Rosecrans thinks that under good management it can be increased to 3,500,000,000—more than double its present yield.

He's encouraged by such things as this:

Several years ago he was talking to a redwood mill owner in northern California who was cutting a 150,000 acre tract. He asked about future plans. The terse reply was:

"Cut out and get out."

A couple of years later, Rosecrans saw him again. The lumberman said:

"Bill, we've changed our minds. We're going to stay in the business. We may hit a flat spot in production about 35 years from now, but we believe there's a future in tree farming here in California."

He lit his pipe and added:

"I'm raising a boy. I want him to be in the lumber business when he's my age."

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Good Bargaining is Good Business

(Continued from page 41)

around. Let's take a look at management's faults and see what can be done.

The first is its unwillingness or reluctance to bargain collectively.

A lot of business men just don't like collective bargaining any more than they like taxes. Whether they like it or not, these people should recognize that smart bargaining, like smart tax accounting, has become good business. Employers who have accepted their unions have found that the confidence created by such an attitude pays big dividends in industrial peace.

Too frequently conciliators called into a labor dispute find that an employer is unwilling to bargain. We found such a case in a dispute involving a leather specialty manufacturer. He felt he'd always treated his employees well and couldn't understand why they organized into a union. Finally, under pressure, he sent his representatives to bargain, but with instructions to show only as much good faith as the law requires. Exasperated employees, failing to get anywhere, voted to strike. Relations have never been cordial since then.

Free collective bargaining presupposes responsibility not only to the parties in the dispute, but also to the public and to the nation. Management can make an important contribution to their organizations and country by helping make collective bargaining work.

We come now to the second point, the haphazard selection of lawyers as negotiators.

Many employers have a tendency, when a crisis occurs, to call in the firm's lawyers. Now, as a veteran member of the bar, I have the highest regard for the profession, but it's a fact that most lawyers are legal-minded and thus seek to deal with labor disputes as if they were cases—that is, try to win them.

Some lawyers often fail to realize that a labor dispute involves a continuing relationship between employer and employees, and is not merely a contract issue. Others are too wordy, try to protect their clients with a barrage of legal phrases. The most effective tactics in a courtroom are not always the best tactics around the bargaining table.

I'm reminded of an attorney

who managed to get a lot of legal gobbledygook into a contract involving a household appliance maker and his union. The ink was hardly dry on the contract before the union was striking over interpretation of the agreement. There are, however, some excellent negotiators among attorneys around the country. These understand it is more important to write a contract clearly than to confuse it with legalistic terms. It is often better to lose a few points, perhaps even the issue itself, and build a stronger relationship between employer and union, than it is to promote discord. The company must live with the union. Technical victories can mean eventual defeat.

The third error is the lack of labor relations experience by negotiators. It is incredible to think that management would place its national program for merchandising a new product in the hands of a junior sales executive. Yet, too frequently, management places the equally important function of collective bargaining in the hands of inexperienced officials.

These representatives too often give the impression that they are trying to prove their worth to employers. They attempt to beat down the union. They try to show up the union negotiator, or try to put something over on him. The system may work sometimes—or so the inexperienced negotiator thinks—but he is really only setting up trouble for the owners and top managers.

I know of a young chemical company official who convinced his superiors that, by deft maneuvering, they could get away with an eight cents an hour raise instead of ten, even though the company was prepared to pay the latter increase.

He convinced his boss—but he didn't convince the union representatives. The company negotiator overlooked completely the feeling and temper of the union people. The result was a strike, settled by the payment of the ten cent boost. The strike never was necessary.

My fourth point deals with the use of minor officials as negotiators. Next to organizing, collective bargaining is the union's most important function. Therefore, a union sends its ranking local leaders and often a widely experienced

international representative to the bargaining table. These men are thoroughly familiar with the thinking of the rank and file; they are authorized to act quickly, subject only to ratification of the final agreement by the membership.

When minor officials with limited authority sit down with these people, they have to run back and forth from bargaining table to the boss's office. That's really bargaining by remote control. It's a serious mistake, because management gets a false conception of what's going on. This remote control bargaining leads to prolonged negotiations and may bring a deadlock and strike.

We were in on one public utility dispute where both sides were willing to arbitrate but could not agree on a method. Just before the scheduled strike deadline, the federal conciliator suggested a compromise technique. The union representative promptly agreed to it, but management's negotiators again had to report back to top officials for a decision. It was just luck that the decision was obtained in time.

Another case came up in the construction industry. The company's representative, after exhaustive discussion, tentatively agreed to certain union demands in return for a number of concessions. But, reporting back to top management, the negotiators were told the terms were not acceptable. Unaware that the moment had arrived for bringing about a quick settlement, the president of the firm turned thumbs down on the proposal.

The union representatives felt there was no alternative but to strike. The following day the head of the concern called in a federal mediator and admitted he'd been wrong in turning down the peace proposal, now that he understood it. But, with the strike on, he felt he could not accept the old peace plan without losing face. It took three days—while pickets marched in front of the plant—to find a face-saving solution.

Management must realize that labor relations cannot be handled by underlings. "The boss" should get exposed to the reasoning of union officials; he should sit in on some of the discussions.

The need for leadership among company negotiators is the next factor.

It should be obvious that any team needs a leader. Yet, we often find management representatives with no No. 1 man and, likely as not, rivalry existing among the

company negotiators. They'll vie with one another to prove who's a better negotiator.

Sometimes intracompany politics gets involved. One of my staff recently told me of being called into a textile industry dispute, and being pulled aside by two different company negotiators and offered two separate proposals for settlement of the existing issue. Each was trying to outsmart the other, each attempting to gain personal power, rather than win stable employee relations for his firm.

Lack of confidence and understanding of a union and its problems is the sixth mistake that management makes. Labor relations are not mysterious. They deal with human beings and mutual confidence is the prime objective.

Understanding of both sides' problems is imperative. I've had employers bitterly complain to me that the union and their employees had no understanding of the problems of running a business. Usually it's those who complain the most who give the least time to trying to understand the union side. One conciliator entered a deadlocked session in the construction industry recently and found both sides working at cross purposes. The negotiators had no confidence in one another and this in turn led to a refusal to see the other's problems.

Responsible labor leaders seek to get as high a return for labor as is consistent with holding on to employment. The unions don't want to jeopardize the jobs of their members. On the other hand, the employer who refuses to recognize the legitimate needs of a union and won't budge—that employer makes it impossible for the union to find that point where a settlement will be of greatest advantage to both sides.

The seventh point I've made covers the lack of statistics and facts.

It is not unusual for a management negotiator to start off with the statement: "We can't afford to grant new benefits," and then give ground slowly. This "wolf, wolf" attitude is a mistake. It makes the union representatives unduly cynical.

I know of a small lumber products company which kept crying "wolf" over a period of years, winding up each time with new concessions to the union. Then came a year when the company was on the verge of going on the rocks. When it repeated that it couldn't extend benefits, the union

negotiators laughed. "We've heard that before" was their retort.

A strike was called and the company went out of business.

The point I'm making here is that management negotiators should appear at the bargaining table prepared to give accurate and complete facts as to the company's position. The unions often are far ahead of management in this respect. The larger unions not only have research departments, they also hire experts to advise them on such issues as social insurance, pensions and similar benefits.

Both sides need to know the entire picture. When that factor is present, there's a strong probability of a quick settlement of any dispute. An example of this occurred a few months ago in a dispute involving the Atlantic and Gulf steamships lines' operators and three CIO unions covering the seamen, radiomen and marine engineers. Both sides knew the facts; both sides knew the industry. A speedy settlement was the natural result.

The last error I'd call to management's attention is the one involving emotionalism. Too often management negotiators substitute an outburst of emotionalism for a true picture of the facts. For example, I know an electrical apparatus producer who declared he'd be damned before he would have anything to do with a union run by communists.

Probably this employer felt that, if he refused to bargain with red-tinted officers, the union would throw them out and put in others. That's silly reasoning. Experience has shown that an employer's attacks on left-wing leadership of a union usually serve to rally the rank and file around these officers. Desirable as it is to rid unions of communist leadership, it is more likely to be accomplished if employers leave it to the unions.

Now, having pointed up the mistakes of management at the bargaining table—and I've deliberately left out of this article the mistakes made by labor—I want to emphasize that there are wise, progressive-minded companies which for years have had good labor relations. These companies conduct their collective bargaining just as they conduct their daily business—on efficient lines.

If management would eliminate the mistakes I have touched on, there would be, I must confess, less work for the Federal Mediation and Conciliation Service, but there also would be more peaceful, more successful collective bargaining.

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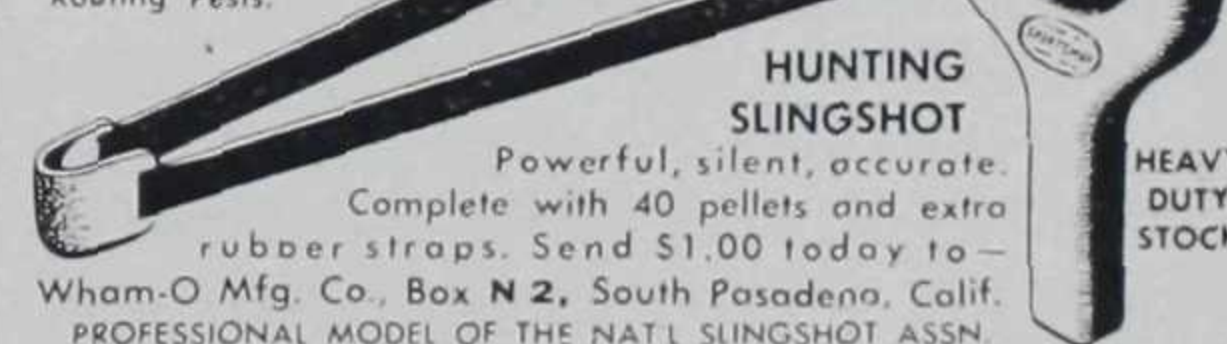
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Day of the Company Library

By NORMAN & AMELIA LOBSENZ

A DOG FOOD manufacturer recently added several hundred thousand dollars to his annual gross income as a result of entering the profitable liver extract field.

"What gave you the idea?" a friend asked him.

"You won't believe this," the manufacturer said, "but it was an article I read in a magazine. Our company librarian ran across it one day. The article said that experimenters found that horse liver was just as good as beef liver for the treatment of anemia. We were using horsemeat in our dog food, but the liver was considered waste material. On the basis of the article, we experimented, got a medical okay, and—there we were!"

Not so long ago an exporter was slowly losing a small fortune when beetles started boring holes in a warehouse containing oak ax handles. In desperation the exporter took a bottle of the insects to a pharmaceutical company's library. After a quick search the librarian came up with the answer: the type of insecticide that would kill the beetles.

Such business libraries have proved successful for virtually every type of concern. A baby products company introduced a profitable item when its librarian tracked down new information on infants' diaper-wetting habits.

A small southern railway called on its librarian to produce some statistics on the South's industrial potential. With this information, the railroad was able to convince regional business men that expansion would be beneficial and thus increase the line's freight load.

One Great Lakes manufacturing firm which depended on large amounts of water drawn from Lake Michigan was threatened with a shutdown when ice clogged the intake pipes. Blasting would have smashed the ice—and also the pumping mechanism. But the company librarian provided the solution. He produced an article describing how electrically ignited thermite would produce a heat intense enough to melt large ice masses.

Six challenges to the executive

HERE IS a series of guideposts to help you consider whether a specialized library setup would aid your particular business. Ask yourself these questions:

1. AM I spending money on unplanned—and thus often unused—industrial research?

2. AM I spending money on books and periodicals which have no value either because they are not properly read or filed, or because they duplicate information?

3. HOW often do I miss out on a sales or promotional campaign because of lack of information?

4. HOW much time does my staff—

and myself—lose by "doubling" as our own librarian?

5. HOW often does more than one person or section find it has been duplicating research work?

6. HOW well do my executives and I keep up with current business trends; how much do I know about my markets and sales areas, my production techniques, my accounting methods—things which change almost from week to week?

The common denominator in all these instances is information—facts provided by the rapidly growing number of business libraries. The need to get fast, problem-solving answers to complex questions is causing hundreds of concerns to set up their own libraries headed by trained personnel.

Today there are more than 2,500 of these libraries in business plants in the United States and Canada. Their fields range from ice cream to jet engines. A librarian's job is threefold: to answer specific questions; to select for the use of executives from the increasing stream of publications and books that daily floods offices; and to compile time-saving summaries of those articles that may be of value.

No formal cloister, the business library can be a lively information center. Fact-packed with data to meet its company's peculiar needs, it may fill a corner of one office, or may, like the 36,000 volume library of Standard and Poor's, cover half a city block.

Not only does such a library save time and money (one company once spent \$50,000 in research to gather material a trained librarian would have known was freely available at the public library), but it can also save a business.

When the Cranberry Growers Association was confronted with an industry-paralyzing rumor that cranberries caused acidosis, a researcher was ordered to trace every

fact. It finally was discovered that a lab worker had made an error years before in identifying the fruit's acid content. A re-analysis by more modern methods absolved the cranberry of guilt, sparked a new sales campaign.

Business libraries fulfill more than a mere fact-finding function. They provide ammunition for sales promotions; build up an organized reference backlog; release creative and executive employees from time-wasting research chores; help keep watch on the progress of competitors; discover the newest shortcuts for business or production efficiency.

The Special Libraries Association, at 31 East Tenth Street in New York City, will aid any business man who plans to establish a library for his concern. Any company that now spends \$5,000 a year for periodicals, books and commercial research facilities can set up its own library for less than that amount, and in some cases, for as little as \$500.

The association will make recommendations for personnel; work out a plan to establish a regional library cooperatively sponsored by several businesses in a single area; request—and support—your local public library to set up facilities for business information; or work with your trade association or chamber of commerce to install an information service to cover matters of interest.

By My Way

By R. L. DUFFUS



Petunia returns

IT IS not every cat that lives to read her own obituary, but Petunia, for ten years the pride of our household, has done so. She is, in fact, at home again after an absence of five months and 18 days. This morning I caught her leafing through a magazine and smiling complacently as she came to page 80, on which I had said some kindly things about her under the impression that we would not see her any more.

Petunia and I were reunited at the back of Mr. and Mrs. Achorn's pharmacy, which adjoins the Post Road, two restaurants and the town parking lot. I shall not try to describe the touching scenes that followed, there and when she once more found herself in her own kitchen, with some fatted calf's liver in a saucer under the sink—where, for so long a time, there had pathetically been no saucer. My wife and I were deeply moved, and so, I am sure, was Petunia, in spite of an affected nonchalance.

We remain, however, somewhat puzzled. Mr. and Mrs. Achorn, whom we respect and esteem, say that Petunia has been living out behind the store, that she has held her own valiantly against such natural enemies as dogs and other cats, and that she has made multitudes of friends, including the restaurant proprietors. She has also, they say, terrorized the rats and mice all over the center of town. On the other hand, Petunia says she has been to Italy. She sprinkles her conversation with such phrases as *dolce far niente*, discourses learnedly on Roman ruins and Italian art and sneers at Italian cats. She says she flew both ways and hitchhiked to and from La-Guardia field.

December paradox

IT STRIKES me, as I look at my *Farmers' Almanac*, that the solar system is inconsistent. In my latitude the earliest the sun sinks is 4:18 p.m. It sticks at this point

from Dec. 8 to 12, inclusive. Then it goes back to 4:19. On the other hand, it continues to rise later until the end of the year, so that for a while what is gained at one period of the day is lost at the other. I think this is ridiculous, and I don't see why the astronomers, if they are as smart as they seem to be, don't do something about it.



"Harmless" trespasser

I WISH to celebrate a lady on Martha's Vineyard who has a sign on the gate of her seaside property expressing the hope that visitors during her absence will not damage her house or movable possessions or go hunting or set fires, but adding: "Harmless Trespassing Permitted." We took her at her own kind word and didn't so much as heave a rock through a single window pane. I don't believe half a dozen bloodhounds could have protected that place as well as that simple sign did; I suspect there is a moral there if anybody cares to look into it.

Roadside scenery

IF ANYBODY wants to say something mean about the American landscape he usually refers to the fact that it often contains filling stations and hot dog stands. I have done this myself. But every time I take a motor trip I am reminded that a filling station is a welcome sight when the tank is getting empty and a hot dog stand, no matter how bad architecturally, may be perfectly beautiful when one has reached a certain stage of hunger. I hope these remarks will not discourage any architect from designing a filling station or a hot dog stand that will please the eye

when the tank is not empty and one has just filled up on roast beef, mashed potatoes, turnip, squash, hot bread and mince pie.

The first hot dog

SPEAKING of hot dogs makes me remember my first one. It was eaten in Barre, Vt., when I was ten or 11 years old. My young friends and I had ridden our bicycles down the dirt road from Williams-town, some six miles away. The hot dogs cost a nickel each, with enough mustard inside to eat the lining out of a high-pressure boiler. We walked along the principal street of Barre, which seemed to us a big city, with the mustard dripping through our fingers and down our chins. I was completely happy, which is something even a boy with a bicycle isn't all the time. My wife remembers in much the same way her first ice cream cone, eaten at a birthday theater party which her mother had arranged for her and some other little girls. There was some debate as to whether the cone itself was or was not edible. (It was.) As she tells the story she seems to have been happy, too. I might still eat and enjoy a hot dog, and she an ice cream cone. But not, I am afraid, with the first rapture.

Part way back to nature

SO THEN we got to talking about picnic places and the out-of-door eating we had done. Once we were going to Cape Cod with two small girls and two kittens, and we put the kittens on little leashes and each small girl had one kitten in charge and each kitten went exploring like a young tiger in the jungle of tall grass. Once we and our friends had lunch on a bluff above Sandwich, where the famous glass used to be made, and we looked over the dunes to the distant houses and ate blueberries from nearby bushes. We remember picnics in the California redwoods and on top of an Arizona mesa at the head of a sandy "wash"; and in the Trinity Mountains of California, a mile above the sea, near a stream into which salmon had painfully climbed from the far-off Pacific; and south of Carmel, near a trail the old padres once followed. And I remember how good meals were on top of Camels Hump and on top of Mansfield, both in Vermont, and not much worse beside an Adirondack river and on top of a White Mountain. Civilization is a good thing—a very good thing—but how

pleasant at times it is to escape from it, like schoolboys playing truant!

The lure of steam

WHEN the Delaware, Lackawanna and Western Railroad gave up its steam-engine shops at Scranton, Pa., this fall it did not ask my advice; it did not appear to care about sentimental fuddy-duddies who just happen to like steam locomotives; it wanted to make money and thought it could do so better with diesels than with steam. I would have pointed out that money isn't everything. What, I would have asked, is going to happen to this country if we don't have at least a few locomotives that really puff?

I know I am on the losing side of this argument. A decade or two from now some other sentimentalist may be bemoaning the passing of the diesel or electric locomotive in favor of a thing driven by atomic power. But I do not really ask much. The buffalo have been given reservations—why not the steam locomotive? Western Kansas might be a good place. There would be engines and tracks. People like me would be allowed to put on red bandanna handkerchiefs, overalls and long-vizored caps and ride in the cab. Maybe they would let us hold the throttle sometimes. I am going to write my congressman about this tomorrow.



Our just deserts

I AM NOT one of those unhappy beings who suffer from what the psychiatrists call a persecution complex. If I had my just deserts I would probably be no better off than I am now and maybe I would be worse off. I am willing to let the matter lie. But I must say I feel put upon and abused every time I try to do a really hard crossword puzzle. I have felt the same way on the few occasions when I have tried to make a golf ball go where I wished it to. I have seen one near and dear to me bent in anguish over a jigsaw puzzle which, for a time, refused to go together. A sense of bitter injustice overtakes multitudes whose sympathies are

with the losing sides in baseball or football games, or who, making use of the best information they could get, have bet on the wrong horse. But I imagine these experiences are rather wholesome for us. They take our minds off our real troubles. Which, no doubt, is the benevolent intention of those who invent or stage games, and also those who engage in the public-spirited industry of improving the breed of horses.



On feeling unimportant

I DO NOT wish to have the band turn out when I come home after a brief absence; I would not care to have ticker tape showered on me because I had swum the English Channel or climbed Mount Everest; I do not envy personages who are recognized in crowds. In short, I think it is more fun to be a crowd and gawk than it is to be a personage and get gawked at.

All I would ask of fate, if I had my life to live over again, would be that air of assurance which makes a hotel room clerk smile graciously when the possessor walks up to register. As it is, I always feel at that moment as though I had slept in my clothes and ought to go right on doing so—but not in a stylish hotel. I don't complain about hotel room clerks, either; they are always kind to me, in an amused sort of way.

I suspect I am not alone in this. That helps. Maybe the seemingly nonchalant man ahead of me in line at the desk is sure his pants are baggy and is trembling lest somebody notice. Some day I shall take him aside and ask him.

He made us laugh

THE biography of one of my favorite comedians exhibits him as a character I probably wouldn't have enjoyed knowing in real life. He had a bad temper, the book says, he was suspicious of people and he was overly careful with his money. But I remain grateful to him—or rather to his memory. I am grateful to anybody who has ever made me laugh, and this he did whenever I saw him on stage or screen. In his later years he was paid \$125,000

for appearing in a single motion picture. I'm glad he was and I hope it made him feel easy about his next meal. I don't suppose a good comedian is the most valuable citizen there is; the saints, the statesmen, the inventors of cures for diseases must come first. But the funny man is certainly in the second half dozen.

An island from Santa

I COULD be more contented with my lot if I did not occasionally see ways, unfortunately beyond my means, of improving it. I would like, for example, to own the little Orkney Island of Gairsay, which was offered for sale early in the fall; it contains 1,000 acres and an eleventh century castle which



no doubt could be made habitable with the help of some plumbing and heating equipment. I would like to have this island for Christmas and have told my friends so.

And a Merry Christmas!

I REMEMBER a Christmas Eve when I was a patient in a hospital, years and years ago. It wasn't bad, for I was getting over whatever it was that had ailed me, one of the nurses was beautiful and several were pretty, and some of my fellow sufferers in the ward next door were singing carols. I lay contentedly, listening and thinking—thinking how it was already Christmas in Germany and would soon be Christmas in France and Britain; and how Christmas would then cross the Atlantic, picking up ships at sea and adding to the good will among their passengers and crews; and how it would strike Boston and New York and sweep across the mountains and plains, over countless homes, in cities and villages and scattered over that great, beautiful expanse that is our country; and how at last it would reach the old University Hospital in Palo Alto, Calif., and everybody (for we were all young) would begin to get well. Indeed, I believe we all did. And it was as though a wave of good feeling were running around the earth, and reaching everybody, no matter what their religion, race

and way of earning a livelihood.

After that there were two world wars, but I don't believe the spirit of Christmas got bombed out of existence. I suspect it still exists in the most unlikely places. I think good will among men and to men is one of the indestructible things; cities and fortresses may fall but after a time good will is bound to show itself again.

I am thinking these thoughts some time before Christmas, but they will be with me again on Christmas Eve and Christmas Day because they will be in millions of other minds, invisible rays more potent than radio. And this good will, to which each of us contributes his share, enriches us all. I add my own small gift to the common store: a Merry Christmas to all who happen on these words, to all their friends, relatives and neighbors, and to all everywhere who rejoice in the spirit of the day!

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946, of Nation's Business published monthly at Greenwich, Connecticut and Washington, D. C. for October 1, 1949.

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Chamber of Commerce of the United States of America, Washington, D. C.; Editor, Lawrence F. Hurley, Washington, D. C.; Managing Editor, Paul McCrea, Washington, D. C.; Business Manager, John F. Kelley, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors. The officers are as follows: President: Herman W. Steinkraus, President and Chairman of Board, Bridgeport Brass Company, 30 Grand Street, Bridgeport, Conn. Vice Presidents: Richard L. Bowditch, President, C. H. Sprague & Son Company, 10 Post Office Square, Boston 9, Mass.; Laurence F. Lee, President, Peninsular Life Insurance Co., P. O. Box 1230, Jacksonville, Fla.; Roy C. Ingersoll, President, Ingersoll Steel Division, Borg-Warner Corporation, 310 S. Michigan Avenue, Chicago 4, Ill.; Christopher J. Abbott, Hyannis, Nebr.; Dechar A. Hulcy, President, Lone Star Gas Co., 1915 Wood Street, Dallas, Texas; W. S. Rosecrans, President, W. S. Rosecrans, Inc., 1151 South Broadway, Los Angeles 15, Calif. Treasurer: Ellsworth C. Alvord, Alvord and Alvord, Ring Building, 1200—18th Street, N. W., Washington 6, D. C. Executive Vice President: Ralph Bradford, Chamber of Commerce, U. S. A., 1615 H Street, N. W., Washington 6, D. C. Manager: Arch N. Booth, Chamber of Commerce of the United States of America, 1615 H Street, N. W., Washington, D. C.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given, also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

JOHN F. KELLEY

Signature of Business Manager

Sworn to and subscribed before me this 9th day of September, 1949
(Seal)

WILLIAM A. CREVELING

(My commission expires Nov. 14, 1953)

THE *College* THAT ALMOST WASN'T



TODAY, Yakima, Wash., has a junior college. It's not large—there are only some 400 students. Nevertheless, it's telling testimony of the city's desire to provide educational opportunity for all.

When the land on which the college stands was bequeathed to the city along with the nucleus of a building fund, it was upon the condition that construction begin within a definite time. As the deadline neared, however, the fund was still far from its goal and it looked as if the Yakima Junior College was to go down in history as the college that almost was. At this point the Yakima Chamber of Commerce stepped in. It organized and conducted the bond drive which did the job.

Business men the country over have long been the leaders in bringing worth-while things to their communities. Because the success of many civic projects depends on teamwork, they join together, most often in their chambers of commerce.

You will find it easier to participate in such projects if you work with the business and civic leaders of your community. So, if you aren't already a member of the team, get in touch with your chamber officials. They will give you full information.

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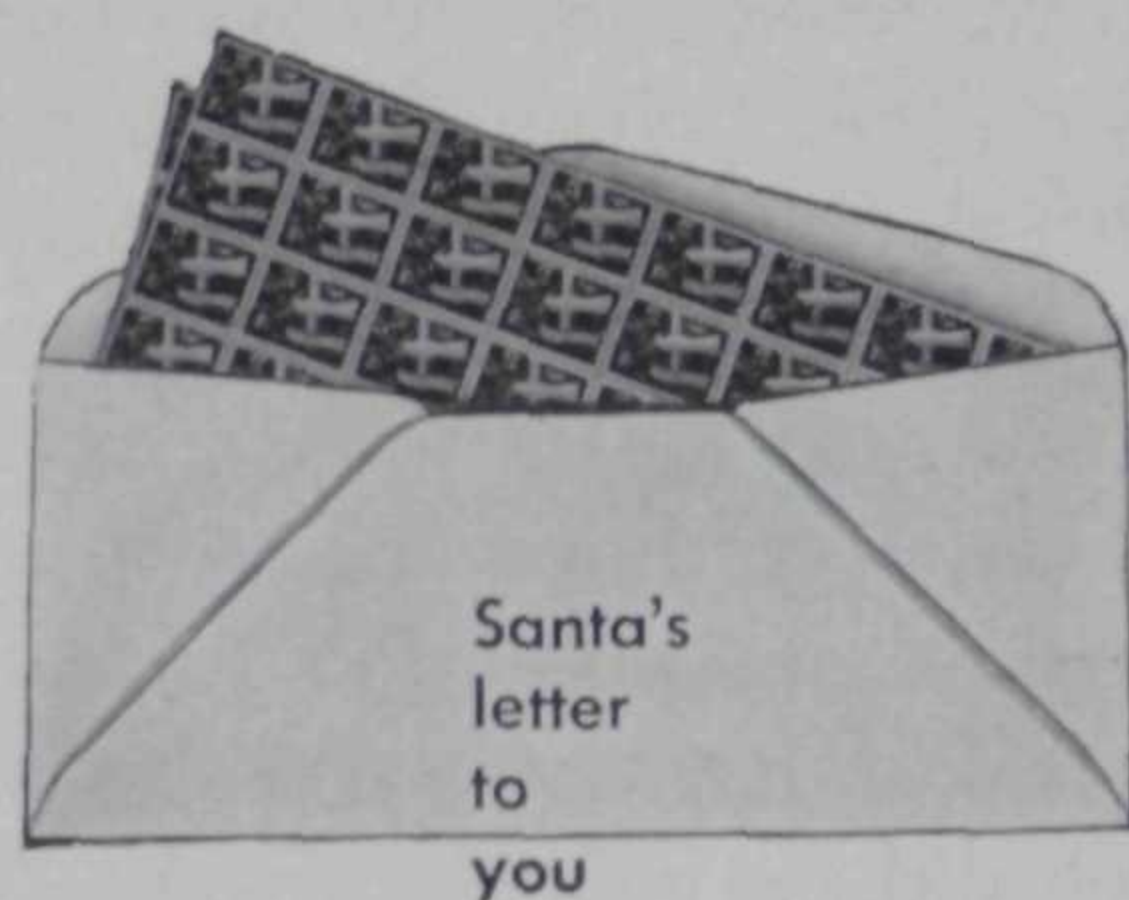
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Because of the importance of the above message, this space has been contributed by

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ADVERTISERS IN THIS ISSUE

DECEMBER • 1949

	PAGE		PAGE
Aluminum Company of America <i>Fuller & Smith & Ross, Cleveland</i>	13	International Business Machines Corporation <i>Cecil & Presbrey, New York</i>	14
American Telephone & Telegraph Company <i>N. W. Ayer, Philadelphia</i>	3	Journal of Commerce <i>Charles W. Hoyt, New York</i>	27
Blaw-Knox Company <i>Al Paul Lefton, Philadelphia</i>	82	Kaufmann, K. & Company, Inc. <i>Raymond Advertising, Newark</i>	8
Browne-Vintners Company, Inc. <i>Owen & Chappell, New York</i>	4th cover	Kimberly-Clark Corporation <i>Foote, Cone & Belding, Chicago</i>	56, 57
Burroughs Adding Machine Company <i>Campbell-Ewald, Detroit</i>	1	May, George S., Company <i>J. R. Pershall, Chicago</i>	4
Cast Iron Pipe Research Association <i>Alley & Richards, New York</i>	10	Metropolitan Life Insurance Company <i>Young & Rubicam, New York</i>	51
Certified Equipment Manufacturers <i>Foster & Davies, Cleveland</i>	59	Mosler Safe Company <i>Albert Frank-Guenther Law, New York</i>	9
Chamber of Commerce of the United States <i>Direct</i>	81	Mothersill Remedy Company, Ltd. <i>Colonnade Advertising, New York</i>	77
Chicago, Rock Island and Pacific Railway <i>Caples Company, Chicago</i>	7	National Cash Register Company <i>McCann-Erickson, New York</i>	18
Cities Service Oil Company <i>Ellington & Company, Inc., New York</i>	55	Nation's Business <i>Leo McGivern, New York</i>	53
Commercial Credit Company <i>VanSant, Dugdale, Baltimore</i>	65	New York Central System <i>Foote, Cone & Belding, New York</i>	21
Corry-Jamestown Manufacturing Company <i>Walker & Downing, Pittsburgh</i>	71	New York State Department of Commerce <i>Batten, Barton, Durstine & Osborn, New York</i>	8
Dictaphone Corporation <i>Young & Rubicam, New York</i>	12	Pynol Company <i>Mace Advertising, Peoria</i>	77
Dodge Division of Chrysler Corporation <i>Ross Roy, Detroit</i>	28	Reznor Manufacturing Company <i>Meck and Thomas, Youngstown</i>	71
Fairbanks, Morse & Company <i>Buchen Company, Chicago</i>	67	Santa Fe Railway <i>Leo Burnett, Chicago</i>	69
Florida, State of <i>Henry Quednau, Tampa</i>	63	Southern Railway System <i>Newell-Emmett, New York</i>	61
Georgia, State of <i>Eastburn & Siegel, Atlanta</i>	71	Studebaker Corporation <i>Roche, Williams & Cleary, Chicago</i>	2nd cover
Globe Automatic Sprinkler Company, Inc. <i>Marschalk & Pratt, New York</i>	77	Taylor, S. G., Chain Company <i>Jones & Taylor and Associates, South Bend</i>	75
Goldsmith Brothers <i>Lewis Advertising, New York</i>	58	Travelers Insurance Company <i>Young & Rubicam, New York</i>	11
Guth, Edwin F., Company <i>H. George Bloch, St. Louis</i>	70	Union Carbide & Carbon Corporation <i>J. M. Mathes, New York</i>	3rd cover
Hardware Mutuals <i>Roche, Williams & Cleary, Chicago</i>	22	United States Fidelity & Guaranty Company <i>VanSant, Dugdale, Baltimore</i>	2
Hartford Fire Insurance Company and Hartford Accident & Indemnity Company <i>Newell-Emmett, New York</i>	6	West Palm Beach Chamber of Commerce <i>Art Keil, West Palm Beach</i>	5
International Bronze Tablet Company, Inc. <i>Will Burgess, New York</i>	77	Wham-O Manufacturing Company <i>L. J. C. Spruance, San Gabriel</i>	77



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